



Australian Government
Civil Aviation Safety Authority

COST RECOVERY IMPLEMENTATION STATEMENT

CIVIL AVIATION SAFETY AUTHORITY

2025-26

Charging for regulatory activity involves government entities charging individuals or organisations in the non-government sector some or all of the minimum efficient costs of a specific government activity. The Cost Recovery Policy, along with the Australian Government Charging Framework (the Charging Framework), sets out the policy under which government entities design, implement and review charging for regulatory activities. The Cost Recovery Implementation Statement (CRIS) is the public document to ensure the transparency and accountability for the level of the charging and to demonstrate that the purpose for charging, as decided by Government, is being achieved.

Contents

| | |
|--|-----------|
| 1. INTRODUCTION | 3 |
| 1.1 Summary..... | 3 |
| 1.2 Purpose..... | 3 |
| 2. POLICY AND STATUTORY AUTHORITY TO CHARGE (COST RECOVER)..... | 4 |
| 2.1 Government policy approval to charge for this regulatory activity..... | 4 |
| 2.2 Statutory authority to charge | 4 |
| 3. CHARGING (COST RECOVERY) MODEL | 5 |
| 3.1 Outputs and business processes of the activity | 5 |
| 3.2 Costs of the regulatory activity..... | 6 |
| 3.3 Design of the regulatory charge | 8 |
| 3.4 Fee Waivers | 10 |
| 4. RISK ASSESSMENT | 10 |
| 5. STAKEHOLDER ENGAGEMENT..... | 11 |
| 6. FINANCIAL PERFORMANCE | 11 |
| 6.1 Financial Estimates | 11 |
| 6.2 Financial Outcomes | 12 |
| 7. NON-FINANCIAL PERFORMANCE | 13 |
| 7.1 Annual Report..... | 13 |
| 7.2 Corporate Plan..... | 14 |
| 8. KEY FORWARD DATES AND EVENTS..... | 15 |
| 9. CRIS APPROVAL AND CHANGE REGISTER..... | 15 |

1. INTRODUCTION

1.1 Summary

The Civil Aviation Safety Authority's (CASA's) key role, in accordance with the *Civil Aviation Act 1988* (CA Act), is to conduct the safety regulation of civil air operations in Australian territory and the operation of Australian aircraft outside Australian territory to maintain, enhance and promote the safety of civil aviation.

As set out in the *Airspace Act 2007*, CASA also has responsibility for classifying Australian administered airspace and determining the services and facilities provided by approved air navigation service providers, having regard to the efficient use of, and equitable access to, Australian-administered airspace.

In performing its functions and exercising its powers, CASA considers the economic and cost impact of the standards it sets, the differing risks associated with different aviation industry sectors and, to the extent practicable, the environmental effects of the operation and use of aircraft on the environment.

In all cases, the safety of air navigation must be CASA's most important consideration.

CASA maintains, enhances and promotes the safety of civil aviation through regulatory activities such as licensing and oversight and by providing safety education, training programs and communications.

In keeping with CASA's obligations and regulatory philosophy, CASA always strive to ensure that CASA's decision-making and actions are lawful, fair, reasonable and consistent, and that they contribute to optimal safety outcomes while not unnecessarily impeding the efficiency of the operations CASA regulates.

1.2 Purpose

This Cost Recovery Implementation Statement (CRIS) provides information on how CASA implements cost recovery charging for aviation regulatory services. It reports actual financial and non-financial performance information for cost recovery activities and contains financial and demand forecasts for 2025-26 and three forward years. CASA will maintain the CRIS until the activity or cost recovery for the activity has been discontinued.

The activity that is to be cost recovered by CASA is the assessment of applications for the conduct of various regulated aviation activities. These activities will attract fees or levies.

- **cost recovery fees** – fees charged when a good, service or regulation is provided directly to a specific individual or organisation, or
- **cost recovery levies** – charges imposed when a good, service or regulation is provided to a group of individuals or organisations (for example, an industry sector) rather than to a specific individual or organisation. A cost recovery levy is a tax and is imposed via a separate taxation Act. It differs from general taxation as it is 'earmarked' to fund activities provided to the group that pays the levy.

CASA has historically collected partial cost recovery for aviation regulatory fees.

CASA is also charging a partial cost recovery levy for its Remotely Piloted Aircraft (RPA) registration and accreditation scheme with a charge of \$40 per drone weighing more than 500 grams up to 150 kilograms used for commercial activity.

Consistent with the Australian Government Charging Framework, applicants are charged a regulatory fee or levy as they create the need for the service.

CASA's aviation regulatory services are provided to the regulated aviation community, which enables them to perform or provide aviation services to the public or engage in recreational activities. Organisations or individuals are charged for services which require approval by CASA to enable aviation activities with the necessary registrations, approvals, permissions, and licences. These regulatory activities are charged as a cost recovery fee as the services are provided directly to specific users or user groups.

The principal stakeholders for CASA's regulatory charging and activity outputs are:

- pilots
- owners of aircraft
- Air Operators Certificate holders
- licensed aircraft maintenance engineers
- air traffic controllers
- Aerodrome Rescue and Fire fighting services
- operators of certified aerodromes
- maintenance organisations
- remotely piloted aircraft operators certificate holders or remote pilot licence holders.

2. POLICY AND STATUTORY AUTHORITY TO CHARGE (COST RECOVER)

2.1 Government policy approval to charge for this regulatory activity

CASA is a Corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*. Under the authority of that Act, CASA is subject to the *Public Governance, Performance and Accountability (Charging for Regulatory Activities) Order 2017*, which specifies that the Australian Government policy relating to charging for regulatory activities is to apply to CASA. CASA has a policy authority to partial cost recover for the costs associated with regulatory service.

A cost recovery levy for the registration and accreditation scheme of RPA was implemented by the *Civil Aviation (Unmanned Aircraft Levy) Act 2020*. The *Civil Aviation (Unmanned Aircraft Levy) Regulations 2021* is in place for partial cost recovery to support funding for the regulation and administration of Remotely Piloted Aircraft Systems (RPAS).

2.2 Statutory authority to charge

Paragraph 98(3)(u) of the CA Act enables fees to be prescribed in regulations in relation to services, applications, or requests, or the doing of anything under the CA Act, the regulation or the Civil Aviation orders. The *Civil Aviation (Fees) Regulations 1995* sets out in detail the cost recovery fees that apply to relevant regulatory activities.

CASA performs aviation regulatory services, which are cost recovered activities under the:

- *Civil Aviation Act 1988*
- *Civil Aviation Regulations 1988 (CAR)*
- *Civil Aviation Safety Regulations 1998 (CASR)*
- *Civil Aviation Orders (CAO)*
- *International Interests in Mobile Equipment (Cape Town Convention) Rules 2014*
- *Civil Aviation (Fees) Regulations 1995*.

The cost recovery levy is facilitated through:

- *Civil Aviation (Unmanned Aircraft Levy) Act 2020*
- *Civil Aviation Amendment (Unmanned Aircraft Levy Collection and Payment) Act 2020*
- *Civil Aviation (Unmanned Aircraft Levy) Regulations 2021*.

3. CHARGING (COST RECOVERY) MODEL

3.1 Outputs and business processes of the activity

Fee-based activities

Fee-based activities are driven largely by transactional business processes specifically performed for, or at the request of, or on the application of, a particular individual or organisation. Fee-based regulatory charging activities support specific regulatory functions to which the fees relate. There is clear and distinct linkage of costs of the business processes to an individual or organisation.

Generic business processes for CASA's fee-based activities include:

- receipt, review and decision on an application, including ongoing consultation with the applicant
- undertaking technical assessment with a decision made by a delegate
- processing and consideration of issuing a certificate, license, exemption, determination, or approval.

In practice, administrative business procedures for the receipt, review and issue are broadly similar across fee-based charging activities. However, time and effort (and associated direct costs) for technical assessments and decisions vary between the types of outputs and on the complexity or nature of the application.

Levy-based activities

Levy-based charging activities relate to the provision of statutory regulatory services to a group of individuals or organisations, as opposed to transactional business processes. The partial levy charge for RPA is based on a registration and operator accreditation scheme and is set to encourage safer operations, understanding the rules of the air and where you can fly. This is also facilitated through education in a rapidly evolving sector of aviation.

The business interaction includes standard and policy development related to CASA's regulatory functions, managing campaign surveillance for specific events, for example, Pacific Air Show on the Gold Coast, surveillance of remotely piloted organisations (ReOC holders), investigations and enforcement, development, and promulgation of educational and advisory material.

| Activity Output | Primary activities | Regulatory Charging |
|--|---|---------------------|
| Aerodromes and Air Traffic Services | Processing and consideration of an application for: <ul style="list-style-type: none"> • certification of an aerodrome and associated activities • approval as an air traffic service provider or training provider • instrument flight procedure validation, and • Aerodrome Rescue and Fire Fighting Service (ARFFS). | Yes |
| Aircraft Registration | Processing and consideration of an application for: <ul style="list-style-type: none"> • initial registration or transfer of registration of an aircraft • initial recording or changes to registered operator, and • initial reservation of and changes to aircraft markings. | Yes |
| Airworthiness | Processing and consideration of an application for: <ul style="list-style-type: none"> • airworthiness certification of an aircraft, component, and its maintenance system • design approvals • production certificates, and • issue and variation of a Certificate of Approval. | Yes |
| Aviation Medicine | Processing and consideration of an application for: <ul style="list-style-type: none"> • Class 1, 2, 3, 5 and Basic Class 2 Aviation Medical certificates for pilots and air traffic controllers. | Yes |
| Dangerous Goods | Processing and consideration of an application for: <ul style="list-style-type: none"> • permission to carry dangerous goods. | Yes |

| | | |
|--|---|-----|
| Flying Operations | Processing and consideration of an application for: <ul style="list-style-type: none"> the appointment of key personnel training and checking personnel (in-aircraft) initial issue or variation to a certificate of aerial work operation permission for a foreign aircraft to make an unscheduled flight into Australia the approval of a person's appointment as a maintenance controller approvals and evaluation of operation and use of synthetic flight training and simulation devices, and initial issue or variation to an Air Operator's Certificate (AOC). | Yes |
| Personnel Licensing | Processing and consideration of an application for a licence for: <ul style="list-style-type: none"> maintenance personnel flight crew, and air traffic controllers. | Yes |
| Unmanned or Remotely Piloted Aerial Systems | Approvals, certificates, licences and permissions in connection with remotely piloted aircraft, rockets, fireworks, and balloons. | Yes |

3.2 Costs of the regulatory activity

CASA applies an activity-based costing methodology to determine costs for activity outputs and regulatory charging activities. This holistic methodology allocates all costs to an activity output based on time and effort of a proficient officer with a bottom-up costing exercise. Included are the associated cost drivers, volumes or time metrics based on cyclical activities as some certificates, authorisations or permissions are issued for multiple outyears.

In September 2023, the Minister approved terms of reference for the *Australian Transport Safety and Investigation Bodies Financial Sustainability Review* (the Review) to enable the Australian Government to ensure the Civil Aviation Safety Authority (CASA), Australian Transport Safety Bureau (ATSB) and Australian Maritime Safety Authority (AMSA) are operationally fit-for-purpose and sustainably funded to carry out their responsibilities. The Reviewer provided a report to the Minister for consideration in February 2024. The Government is currently considering the outcomes of the Review. The Review also considered potential efficiencies and options for cost recovery.

In line with the Review, CASA updated the existing activity base cost model and incorporated future development in emerging technology. As part of updating the cost model, it included new activities for the Flight Operation Regulations (FOR) and activities where there had been a change in process.

The cost of activities presented in this CRIS are based on the forecast outyears from the approved activity cost model for 2025-26.

CASA is continually analysing costs through benchmarking direct and indirect activities to determine efficiency. This will support the government review of CASA's operations and reduce administrative burden and costs to the aviation industry, without compromising safety.

Direct and indirect costs for each activity

- **Direct costs** - comprise of the cost of the operational business, together with any support costs allocated directly to outputs that includes employee expenses, supplier expenses, consultancies, and contracts.
- **Indirect costs** - comprise of the organisational support costs, other than those directly allocated to outputs, are allocated to operational divisions including IT, corporate and maintenance costs, asset related costs, and property operating costs.
- **Capital costs** - is an upfront investment in a capital asset for the activity and looks to recover that investment over an appropriate period, which may be close to the useful life of the capital asset.

| Financial Year 2025-26 | Direct costs | Indirect costs | Capital costs |
|---|---------------------|-------------------|---------------------|
| Regulatory Fees | | | |
| CASA Regulatory Fees | \$30,988,564 | 10,962,580 | \$14,343,210 |
| Regulatory RPA Levy | | | |
| Remotely Piloted Aircraft (RPA) levy currently \$40 per RPA per year *Model Aircraft Levy on pause | \$9,919,821 | 4,079,282 | \$1,185,475 |
| Total | \$40,908,385 | 15,041,861 | \$15,528,684 |

*The government has paused the introduction of a levy on model aircraft (Recreational drones) registration and accreditation scheme, future year costing excludes cost for Model Aircraft.

Cost drivers

The key cost driver is staff effort required based on the fundamental activity and other cost elements for specific costs such as property, supplier and overall costs.

| Division | Key Cost Driver | Business Rules |
|---|-----------------|--|
| Operational Areas (Direct Costs) | | |
| Registration | Staff Effort | <p>Employee expenses are allocated to their corresponding outputs and business processes based on direct hours recorded.</p> <p>Other expenses such as supplier, contractors, consultants, and depreciation are also allocated based on the same allocation proportion as employee expenses due to materiality.</p> <p>These outputs and business processes directly relate to the key activities of RPA registration and operator accreditation scheme.</p> |
| Surveillance | Staff Effort | <p>Employee expenses are allocated to their corresponding outputs and business processes based on number of surveillance events for level 1 and level 2.</p> <p>There is campaign surveillance for aviation unplanned responses to incidents/occurrences and public events for drones, for example, Finke Desert Race, Alice Springs June 2025.</p> |
| Education | Staff Effort | <p>Employee expenses are allocated to their corresponding outputs and business processes providing safety education seminars, programs and resources for industry and the public to encourage a greater acceptance by the aviation community of its obligation to maintain high standards of aviation safety.</p> |
| Policy and Standard Development | Staff Effort | <p>Utilising data to inform decisions, conducting environmental scanning of industry developments, developing policy, drafting regulations, writing guidance material, for example, Plain English Guides, developing standard scenarios for complex operations, developing implementation strategies, resolving standards enquiries, and conducting reviews.</p> |
| Enforcement (not cost recovered) | Staff Effort | <p>Employee expenses are allocated to their corresponding outputs and business processes based on the number of referrals recorded.</p> |

| | | |
|---|--------------|---|
| Platform and Application Support | Staff Effort | IT infrastructure costs refers to the service for CASA's application platform framework for example, myCASA online portal. |
| Enquiries Management | Staff Effort | Employee expenses are allocated to their corresponding outputs and business processes based on the estimated number of enquiries. |
| Client Services Centre | Staff Effort | Chargeable activities are attributed to aviation regulatory services based on estimates of regulatory service volumes and times for a proficient CASA officer. |
| Stakeholder Engagement | Staff Effort | The services attributed to industry engagement and consultation, including safety education and promotion, resources are part of the costs to the Aviation Sector including RPAS. |
| Support Areas (Indirect Costs) | | |
| Legal, International and Regulatory Affairs | Staff Effort | Generally allocated across operational business units based on Average Staffing Level (ASL). Chargeable costs include drafting costs (for example, the drafting of a legislative instrument). CASA engages with the global aviation community and with aviation regulators in other countries through participation in its membership of the International Civil Aviation Organisation, attendance at international forums and through direct discussions and arrangements with overseas agencies. |
| Executive | Staff Effort | Allocated to operational decisions based on ASL and then distributed across all services based on direct hours recorded by the operational area. |
| Corporate Services | Staff Effort | Allocated to operational divisions based on ASL and then distributed across services based on direct hours recorded by the operational area. Other centrally managed expenses such as supplier, property related expenses and depreciation are also allocated based on the same allocation proportion as employee expenses due to materiality. |

3.3 Design of the regulatory charge

The following tables consolidate CASA's regulatory activities according to the various parts of the *Civil Aviation (Fees) Regulations 1995* and other relevant legislation. CASA's regulatory fees are either determined using one of four different hourly rates (\$100; \$130; \$160; and \$190) or through the use of fixed fees or fixed levy amounts. The estimated volume reflects estimates based on recent history and anticipated future activity. The estimated volume for hourly rate fees reflects the number of instances a particular service is expected to be required and does not reflect the hours to be charged for the individual services, which may vary depending on individual circumstances.

The difference between estimated total cost and estimated total revenue reflects that CASA only partially cost recovers its fees and levies, as approved by historical Government decision.

| Regulatory Charge and activity output | Type | Hourly Rate/ Fixed Fees | Estimated Volume | Estimated Total Cost (\$) | Estimated Total Revenue (\$) |
|---|------|----------------------------|---------------------|---------------------------------|------------------------------------|
| Civil Aviation (Fees) Regulatory 1995 | | | | | |
| Part 1 - Appointments and Delegations | Fees | Hourly Rate | 320 | 364,237 | 52,160 |
| Part 2 - Certificates of approval, aircraft maintenance engineer licenses, airworthiness authorities and aircraft welding authorities | Fees | Hourly Rate | 3,808 | 3,630,669 | 677,679 |
| Part 2 - Certificates of approval, aircraft maintenance engineer licenses, airworthiness authorities and aircraft welding authorities | Fees | Fixed | 1,900 | 1,089,262 | 335,220 |
| Part 3 - Maintenance | Fees | Hourly Rate | 3,332 | 2,826,531 | 565,015 |
| Part 4 - Flight manuals | Fees | Hourly Rate | 5 | 83,887 | 950 |
| Part 5 - Qualifications of flight crew | Fees | Hourly Rate | 1 | 8,895 | 200 |
| Part 6 - Air operator certification | Fees | Hourly Rate | 2,935 | 4,086,590 | 539,724 |
| Part 8 - Aircraft operations generally | Fees | Hourly Rate | 912 | 515,221 | 172,173 |
| Part 9 - Aircraft certification and related matters | Fees | Hourly Rate | 1,247 | 766,027 | 172,758 |
| Part 9 - Aircraft certification and related matters | Fees | Fixed | 39 | 21,074 | 3,263 |
| Part 10 - Airworthiness Directives | Fees | Hourly Rate | 225 | 379,119 | 38,010 |
| Part 11 - Display of nationality and registration marks and aircraft registration identification plates | Fees | Hourly Rate | - | - | - |
| Part 12 - Registration of aircraft and related matters | Fees | Fixed | 3,084 | 1,940,238 | 296,400 |
| Part 13 - Synthetic training devices | Fees | Hourly Rate | 958 | 709,440 | 190,943 |
| Part 14 - Air traffic services personnel licensing | Fees | Fixed | 59 | 14,659 | 3,835 |
| Part 15 - Medical | Fees | Fixed | 28,017 | 9,316,006 | 2,048,055 |
| Part 16 - Dangerous Goods | Fees | Hourly Rate | 403 | 243,659 | 76,855 |
| Part 17 - Unmanned aircraft and rockets | Fees | Hourly Rate | 14,138 | 4,313,880 | 1,664,078 |
| Part 18 - Aerodromes | Fees | Hourly Rate | 936 | 192,662 | 177,888 |
| Part 19 - Air traffic service training providers | Fees | Hourly Rate | - | 25,364 | - |
| Part 20 - Aeronautical telecommunication service and radionavigation service providers | Fees | Hourly Rate | 20 | 119,985 | 3,705 |
| Part 21 - Air traffic service providers | Fees | Hourly Rate | - | 124,281 | - |
| Part 22 - Instrument flight procedure design | Fees | Hourly Rate | 149 | 1,412,912 | 53,460 |
| Part 23 - Exemptions | Fees | Hourly Rate | 885 | 383,628 | 155,675 |
| Part 24 - Other miscellaneous services | Fees | Hourly Rate | 17,107 | 13,407,893 | 2,382,542 |
| Part 24 - Other miscellaneous services | Fees | Fixed | 47,778 | 10,273,550 | 2,823,309 |
| International Interests in Mobile Equipment (Cape Town Convention) Rules 2014 | | | | | |
| Cape Town Convention 2001 | Fees | Fixed | 107 | 44,687 | 13,033 |
| TOTAL | | | 128,362 | \$56,294,355 | \$12,446,930 |

* Volumes and unit costs are based on hourly and not per application where applicable. Note hourly rate could be \$100, \$130, \$160 or \$190.

* Note that Flight Crew licensing, for example, CASA issued Private Balloon Pilot permits or Aircraft Radio operators are under Part 24 - miscellaneous services for Part 61/64/141/142 amendments.

* Part 4, 5, 19 & 21 revenue can be cyclic or over multiple years dependant on when a permission, authorisation or certificate expires.

| | | | | | |
|--|------|-------|---------------|---------------------|------------------|
| Civil Aviation (Unmanned Aircraft Levy) Act 2020 | | | | | |
| Remotely Piloted Aircraft (RPA) levy currently \$40 per RPA per year | Levy | Fixed | 20,807 | 15,184,578 | 839,720 |
| *Model Aircraft Levy on pause | | | | | |
| TOTAL | | | 20,807 | \$15,184,578 | \$839,720 |

*The government has paused the introduction of a levy on model aircraft (Recreational drones) registration and accreditation scheme, future year costing excludes cost for Model Aircraft.

3.4 Fee Waivers

Regulation 6 of the *Civil Aviation (Fees) Regulations 1995* provides CASA with the ability to waive a fee, or part of a fee, payable under the regulations if CASA determines special circumstances exist and are consistent with CASA's objectives. CASA's current practice is to not charge for transitioning to a new Civil Aviation Safety Regulation on a 'like for like' basis of permissions, authorisations or certificates already held and operating. Any change in activity from an existing permission, authorisation, certificate or a new aviation participant or an existing applicant wishing to increase capability, is to be charged.

The table below represents anticipated volumes and values of fee waivers in 2025-26.

| Regulatory Charge and activity output | Type | Hourly Rate/Fixed Fees | Estimated Volume | Estimate Total Cost | Estimated Total Revenue forgone |
|--|------|------------------------|------------------|---------------------|---------------------------------|
| Civil Aviation (Fees) Regulations 1995 | | | | | |
| Fee Waiver based on FY2025-26 | | | | | |
| Flight Operational Regulations Transition - FDAP | Fees | Hourly Rate | 45 | \$65,818 | \$49,162 |
| Flight Operational Regulations Transition - Safety Management Systems | Fees | Hourly Rate | 60 | \$187,046 | \$145,350 |
| Flight Operational Regulations Transition - Human Factors Principles (HFP) & non-technical skills (NTS) | Fees | Hourly Rate | 60 | \$62,237 | \$48,450 |
| Domestic Travel - 30km radar of CASA local office waived as per the Hansard Senate estimates dated 16 October 2012 | Fees | Hourly Rate | NA | \$247,840 | \$247,840 |
| Public Interest Events | Fees | Hourly Rate | 25 | \$70,267 | \$21,080 |
| Miscellaneous | Fees | Hourly Rate | 31 | \$76,005 | \$22,802 |
| Registered Charity | Fees | Fixed Fees | 1 | \$20,460 | \$2,480 |
| Regulations Transition | Fees | Hourly Rate | 51 | \$97,700 | \$29,310 |
| Intra-government or Inter-government charging activities | Fees | Hourly Rate | 89 | \$166,369 | \$51,000 |
| | | | TOTAL | \$993,742 | \$617,474 |

4. RISK ASSESSMENT

A charging risk assessment (CRA) is required for any regulatory charging policy proposal. It helps to identify and analyse regulatory charging risks. The Minister for Finance must agree to a CRIS publication if the CRA indicates it is high risk.

The most recent risk assessment rating for the charging activities is **LOW**. CASA has considered a number of risks associated with cost recovering regulatory activities and how CASA will manage these risks, presented in the table below.

| Risk | Management |
|--|--|
| Aviation cost recovery affecting industry competitiveness. | CASA will continue to monitor CASA's performance in the delivery of regulatory activities. |
| The fee and charge structure does not support future regulatory reforms. | Active management of costs, and rebasing charges as required to fully meet agreed cost recovery levels. |
| Changes to government policy, innovation, and activities. | Regular assessments of the arrangement will inform whether a regulatory charging review is required. |
| Any change in unforeseen events may impact revenue assumptions. | CASA will manage costs and rebase charges annually to reflect changes in activity and effort and describe any consequential changes in the cost and price. |

5. STAKEHOLDER ENGAGEMENT

CASA has a clear and transparent approach to engaging with stakeholders, including in relation to regulatory charging. In adherence to CASA's *Statement of Expectations*, CASA provides information and invites feedback via a range of channels. Key elements of our approach include:

- engaging clearly, transparently and regularly with stakeholders regarding CASA's activities and functions, including regulatory development;
- engaging effectively with Government and each of the various sectors which comprise the Australian aviation community;
- working closely with the Department and other agencies, including the ATSB, Airservices Australia, Department of Defence, and the Australian Space Agency to deliver integrated and comprehensive safety advice to Government, the aviation industry and the community; and
- proactively providing information, assistance and advice to Government agencies for policy formulation, implementation activities and regulation purposes.

6. FINANCIAL PERFORMANCE

6.1 Financial Estimates

CASA continue to consult with key stakeholders internally and externally on financial performance to assist in evaluation of CASA's regulatory cost recovery charging arrangements. The CA Act, sub section 9A (3), requires CASA to consider the economic and cost impact on individuals, businesses and the community in the development and finalisation of new or amended regulatory changes.

| Financial Item | Budget | | | |
|------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2025-26 (\$'000) | 2026-27 (\$'000) | 2027-28 (\$'000) | 2028-29 (\$'000) |
| Total expenses | 219,734 | 243,323 | 242,981 | 246,163 |
| Total revenue | 205,025 | 222,860 | 226,318 | 229,500 |
| Balance = revenue - expenses | (14,709) | (20,463) | (16,663) | (16,663) |
| Cumulative balance | (14,709) | (35,172) | (51,835) | (68,498) |

| | |
|-------------------------------------|--|
| Explain material variance | CASA is budgeting for a \$14.7 million operating deficit in 2025-26 and operating deficits across the forward estimates. Pending full cost recovery of the regulation of drones deferred by 12 months until 30 June 2026, resulting in a potential reduction of \$27.5 million. |
| Explain balance management strategy | CASA's future funding will be determined by Government in due course. |

6.2 Financial Outcomes

| Financial Item | 2021-22 (\$'000) | 2022-23 (\$'000) | 2023-24 (\$'000) | 2024-25 (\$'000) |
|--------------------|---------------------|---------------------|---------------------|---------------------|
| Estimates | | | | |
| Expenses | 212,200 | 210,497 | 212,792 | 221,718 |
| Revenue | 229,032 | 192,376 | 212,792 | 192,154 |
| Balance | 16,832 | (18,121) | 0 | (29,564) |
| Cumulative balance | 16,832 | (1,289) | (1,289) | (30,853) |
| Actuals | | | | |
| Expenses | 201,648 | 215,071 | 227,075 | 221,762 |
| Revenue | 218,758 | 232,097 | 254,091 | 195,881 |
| Balance | 17,110 | 17,026 | 27,016 | (25,881) |
| Cumulative balance | 17,110 | 34,136 | 61,152 | 35,271 |

| | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
|---|--------------|--------------|--------------|---------------|
| Aggregate Depreciation | | | | |
| Aggregate Asset Value | 106,793,000 | 117,307,000 | 126,319,000 | 131,371,000 |
| Depreciation Expense | 12,206,000 | 12,984,000 | 13,781,000 | 9,641,000 |
| Accumulated Depreciation (investment returned to government) | - 70,081,000 | - 83,065,000 | - 96,846,000 | - 106,487,000 |
| Capital Maintenance | | | | |
| Aggregate Asset value | 106,793,000 | 117,307,000 | 126,319,000 | 131,371,000 |
| Capital Maintenance Limit (max 10% of Aggregate Asset value) | 7,258,000 | 10,514,000 | 9,012,000 | 5,052,000 |
| Capital Maintenance Reserve (actual cash, at bank) | 97,035,468 | 79,242,290 | 66,877,442 | 54,114,056 |
| Capital Maintenance Forecast | 7,258,000 | 10,514,000 | 9,012,000 | 5,052,000 |
| Capital Maintenance Expense (max 20% of Capital Maintenance Limit) | - | - | - | - |
| Working Capital | | | | |
| Annual Operating Expense | 219,734,000 | 243,323,000 | 242,981,000 | 246,163,000 |
| Working Capital Limit (e.g. 30% of Annual Operating Expense) | 73,468,637 | 54,709,941 | 42,005,126 | 28,936,949 |
| Working Capital Actual (Cash) | 97,035,468 | 79,242,290 | 66,877,442 | 54,114,056 |
| Working Capital Expense (e.g. 5% of Annual Operating Expense) | - | - | - | - |
| Special Accounts (identify if reporting on a cash or accruals basis) | | | | |
| Special account estimated balance | - | - | - | - |
| Special account closing balance | - | - | - | - |

7. NON-FINANCIAL PERFORMANCE

CASA's 2024-25 Annual Report and 2025-26 Corporate Plan provides comprehensive information on performance measures and performance results. CASA's non-financial performance is assessed as high-level objectives and are not reported at a level specific to each cost recovery arrangement.

7.1 2024-25 Annual Report

| Performance measure | Targets | Result |
|---|--|-----------------------|
| Surveillance determined via a National Oversight Plan consisting of scheduled and response events informed by risk | 90% of surveillance events are achieved as detailed in the National Oversight Plan. | ✓ Achieved |
| Number of fatalities | Zero fatal accidents for commercial air transport (CAT). | ✗ Not achieved |
| | Stable or reducing number of fatal accidents for: <ul style="list-style-type: none"> • commercial aviation crewed • non-commercial crewed • uncrewed. | ✗ Not achieved |
| Number of accidents | Stable or reducing accident rate per million departures for CAT. | ✓ Achieved |
| | Stable or reducing number of accidents for <ul style="list-style-type: none"> • commercial aviation crewed • non-commercial crewed • uncrewed. | ✓ Achieved |
| Number of serious incidents | Stable or reducing serious incident rate per million departures for CAT. | ✗ Not achieved |
| | Stable or reducing number of serious incidents for: <ul style="list-style-type: none"> • commercial aviation crewed • non-commercial crewed • uncrewed. | ✗ Not achieved |
| CASA's actions in the international sphere are in accordance with its legal responsibilities and international agreement arrangements | CASA uses appropriate global resources and arrangements to support its audit certification processes. | ✓ Achieved |
| | CASA contributes to the development of the International Civil Aviation Organization (ICAO) standards and practices. | ✓ Achieved |
| | CASA fulfilled all its obligations to ICAO under the Universal Safety Oversight Audit Program (USOAP) Continuous Monitoring Approach (CMA) Memorandum of Understanding (MoU). | ✓ Achieved |

| Performance measure | Targets | Result |
|---|---|-----------------------|
| Enforcement actions undertaken are fair, consistent, and transparent | All decisions reviewed by the Administrative Appeals Tribunal and in the Federal Court are affirmed or not substantially varied in any material respect. | ✓ Achieved |
| | All briefs are accepted by the Commonwealth Director of Public Prosecutions. | ✓ Achieved |
| CASA demonstrates excellence in development and implementation of the aviation safety regulatory framework | CASA adheres to Government and CASA regulatory policies and aligns with International Civil Aviation Organization (ICAO) standards and recommended practices where appropriate. | ✓ Achieved |
| | Regulatory implementation against the planned program is achieved. | ✗ Not achieved |
| Clear, open, and transparent engagement with stakeholders, including the aviation industry to support the continuous improvement of an efficient and effective aviation safety regulatory framework | 100% of significant regulatory changes are publicly consulted and outcomes informed by industry feedback. | ✓ Achieved |
| | CASA's stakeholder satisfaction and client sentiment shows a stable or increasing trend. | ✓ Achieved |
| | CASA's education and safety promotion activities are measured and evaluated through a range of feedback mechanisms and show a stable or increasing trend. | ✓ Achieved |
| All regulatory services we deliver have defined timeframes that are followed | CASA establishes and publishes regulatory service delivery timeframes for all regulatory services. | ✓ Achieved |
| | CASA ensures all regulatory service decisions are made in accordance with published service delivery timeframes. | ✓ Achieved |
| Increased uptake of services delivered digitally | Digital submission volumes through use of self-service channels: ≥ 82%. | ✓ Achieved |
| CASA undertakes workforce planning to ensure that appropriate investment is made in effective people management initiatives | CASA ensures its workforce is managed in accordance with workforce priorities. | ✓ Achieved |

7.2 2025-26 Corporate Plan

Please refer to **CASA's Corporate Plan 2025-26** – Part 3. Performance Pages 35-50.

8. KEY FORWARD DATES AND EVENTS

CASA undertakes regular review of CASA’s financial performance and conducts regular stakeholder engagement activities throughout the CRIS cycle.

| Next Scheduled Event | Date |
|--|------|
| Portfolio charging review to be undertaken | 2026 |
| Portfolio charging review outcomes to be brought forward in Budget 2027-28 | 2028 |

9. CRIS APPROVAL AND CHANGE REGISTER

| Date of change | CRIS change | Approver | Basis for change |
|----------------|--|--|--|
| June 2021 | Certification of the CRIS | Board, CASA | New regulatory charging activity |
| June 2021 | Approval for the CRIS release | Minister for Infrastructure, Transport and Regional Development and Local Government | Medium risk rating for the regulatory charging activities requiring portfolio Minister approval only |
| March 2023 | Certification of Addendum CRIS | Board, CASA | New regulatory charging activity |
| March 2023 | Approval for the Addendum CRIS release | Minister for Infrastructure, Transport, Regional Development and Local Government | Medium risk rating for the regulatory charging activities requiring portfolio Minister approval only |
| April 2024 | Certification of the CRIS | Board, CASA | New regulatory charging activity |
| April 2024 | Approval for the CRIS release | Minister for Infrastructure, Transport and Regional Development and Local Government | Medium risk rating for the regulatory charging activities requiring portfolio Minister approval only |
| February 2026 | Certification of the CRIS | Board, CASA | As per the RMG-302 Implementing the Charging Framework requirement |
| April 2026 | Approval for the CRIS release | Minister for Infrastructure, Transport and Regional Development and Local Government | As per the RMG-302 Implementing the Charging Framework requirement |