

RACAs AND QUALITY ASSURANCE

It's a good business decision for a regulated air cargo agent to ensure, through quality assurance, that their supply chain is robust. That's because, while QA is about security and safety, it's also about reputation and profits.

The COVID-19 pandemic has highlighted how indispensable our air exports are to New Zealand and how vital, therefore, the security of our supply chains is.

The regulated air cargo agent is a key component in those supply chains, making sure all cargo leaving New Zealand is made safe for flight and kept secure.

And it's the agent who must make sure things are running reliably.

A quality assurance system does this. It sets a procedure for identifying and monitoring problems, and importantly, helps to prevent problems before they happen.

The reliability that QA gives the security supply chain system means the system works effectively and satisfies the needs of stakeholders within that chain. Known customers¹, cartage companies, regulated air cargo agents, cargo terminal operators, and airlines all benefit greatly from a reliable and secure system. »

¹ A known customer is "a shipper of cargo or mail who has an established association with a regulated air cargo agent or an air operator for the carriage of the shipper's cargo or mail by air and who is registered with the regulated air cargo agent or the air operator". Part 1



» “Quality assurance cannot guarantee there will never be any surprises because the system is affected by outside factors,” says CAA aviation security technical specialist Kevin Jackson. “But it does provide a mechanism to better deal with unplanned events.

“It also adds value to an agent’s business. A system that’s reliable and secure, satisfying stakeholders and generating confidence is, by its very nature, one that’s cost-effective.

“A RACA requires certification, training, and security checks, and there’s a cost associated with those. But if that RACA’s system is effective – and stakeholders (including the CAA) are satisfied with, and confident of that effectiveness – that cost starts to look like good value for money. And the long-term and ongoing compliance cost may be even less due to the efficiencies you gain.”

It doesn’t have to be complex

Despite its many benefits – and the requirement for a RACA to have an effective QA system now well entrenched in regulation – there are still RACAs struggling with quality assurance.

When they read rule 109.69 *Internal quality assurance*, some small businesses may feel overwhelmed by what they think is required.

But the requirements of that rule are aimed at large as well as small businesses, and smaller businesses can adapt the expectations of 109.69 to suit their own operation. The CAA certainly doesn’t have a one-size-fits-all mentality. It has a risk-based approach and is interested only that your QA is effective for your operation.

Some RACAs may employ an outside contractor to draw up a quality assurance process for them.

In that situation, the agent needs to ensure the outside party thoroughly understands their business.

The resulting QA process written for the agent must be written specifically for that business and it needs to be workable at a day-to-day level.

But if you’re creating your own QA, Kevin says there’s no need to reinvent the wheel if you’re carrying out QA for another agency, say, around health and safety.

“More and more small businesses are having to carry out QA of some kind for other government agencies or to meet the requirements of the Ministry for Primary Industries (MPI).

“So there are opportunities for you to take advantage of the QA system used in other parts of the business. If, for instance, you’re carrying out quality assurance of your staff for MPI – are they trained, are they authorised, are they competent – there will be crossovers in that with the CAA.

“As long as they have ‘an acceptable means of compliance’, the CAA is absolutely open to RACAs coming up with their own ways of carrying out quality assurance providing they can satisfy us of the system’s effectiveness.

“‘Leveraging’ QA for one agency with that for the CAA is maybe one of those ways,” says Kevin.

What does ‘not complex’ look like?

Establishing and maintaining a robust QA programme doesn’t have to be arduous.

Kevin says each element in a QA system can be tailored in complexity to suit the needs of smaller (or larger) businesses.

“‘Policy’, for instance, is a simple and accurate statement about what the organisation intends to do about its quality assurance. It certainly does not have to be hugely wordy.

// A system that’s reliable and secure, satisfying stakeholders and generating confidence is, by its very nature, one that’s cost-effective. //



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“People also tend to over-think ‘quality indicators’. They’re simply bits and pieces you can look at to see how your whole system is going. For example, you could use staff feedback on a form you’ve designed and put in place for checking products. If staff say it’s overly complicated, that’s useful information, because you can engage with your staff to produce a form that better reflects your company’s way of working.

“If your customers are saying the process they undergo with your business to become a known customer is overly complex, you would look at that again.

“If you analyse your incidents, they too will tell you if your processes and procedures are – or aren’t – working.”

Kevin says that despite the important sounding names, all that ‘preventative’ and ‘corrective’ actions involve, is either sorting out something that’s gone wrong, or sorting out something that could go wrong.

“You identify what the problem is, you do a causal analysis to identify an action that will fix it or prevent it from happening. You make someone responsible for getting it done. Then you come back later to make sure it’s fixed.”

Kevin says the approach RACAs take to their internal audit programme is up to them. The organisation might do one audit each year or do one element a month.

“Looking at known customers this month, then looking at training next, for instance,” he says.

The management review is also straightforward. “Once a year, look back over the whole process to see what it’s telling you, if anything. Do you need to change the way you do something, or need to change your exposition?”

It’s worth bearing in mind that quality assurance doesn’t expect everything to go perfectly all the time. What it does do is generate confidence in a system because it can anticipate potential issues, resolve problems so they don’t recur, and provide a mechanism for feeding questions and comments back to those who have the power to effect change.

The other side of the coin

Kevin says the opposite – a lack of coherence in quality assurance – risks the reliability of the supply chain system, possibly even leading to a security incident.

“The cost to an agent’s reputation and business, if it’s a serious security incident, could overwhelm it, forcing it to stop operations.

“But the damage may not stop with the individual agent. It’s also worth thinking about the harm a serious security incident could do to the public or the country’s international reputation, and what we could all lose if confidence in the country as a trading nation was eroded.” 📉

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