



SUMMARY OF CONSULTATION



Proposed Part 43 legislation - Maintenance of aircraft in private and aerial work operations

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Overview

For some years the general aviation (GA) industry has been asking for less complex maintenance rules particularly for the private and aerial work sectors that reduce costs for industry. As part of our GA Workplan, we are moving to deliver these outcomes.

The GA Workplan includes finalising Part 43 of the *Civil Aviation Safety Regulations 1998* (CASR), which will replace the *Civil Aviation Regulations 1988* (CAR) maintenance regulations for aircraft in the broader private and aerial work sectors.

This consultation on the draft Part 43 legislation followed two previous consultations that informed the development of the detailed policies which underpin the draft legislation:

- In August 2018, CASA conducted an initial public consultation that sought the views of
 the aviation community on the current challenges associated with maintenance of
 aircraft carrying out private and aerial work operations, and to identify opportunities to
 improve Australia's regulatory system. The feedback identified a preference for a new
 set of rules based on the Federal Aviation Regulations (FARs) of the USA with minimal
 changes.
- In December 2018, we published a policy proposal, CD 1812SS— Part 43 of the Civil Aviation Safety Regulations (CASR) Maintenance of aircraft, that set out, in plain English, the detailed policies that would underpin the integration of the USA FARs into the Australian legislative framework for registered operators and maintainers of aircraft engaged in private and aerial work operations. These policies necessarily included some minor variations from the FARs that are considered appropriate in the contemporary Australian environment. Comments on this consultation closed on 31 January 2019.

The main changes proposed to be introduced by Part 43 and its associated MOS for maintenance of private and aerial work aircraft are:

A maintenance organisation approval would not be required for carrying out most kinds
of maintenance, including annual inspections of private and aerial work aircraft.
However, maintenance organisation approvals would still be required for more complex
maintenance, including repairs to instruments, major repairs or modifications to
propellers, overhaul of turbine engines and specified maintenance of aircraft certificated
in the transport category.

Note: Aircraft maintenance technician certificates (AMTC) will be a limited alternative to maintenance organisation approvals for maintenance of propellers and instruments, subject to conditions set out in the MOS.

- A new individual authorisation Inspection Authorisation (IA), covering annual
 inspections and major modifications certified by independent LAMEs. The inspection
 authorisation (variously described) is a common functional element of contemporary
 general aviation regulation in countries such as USA, New Zealand and EASA member
 countries.
- Existing CAR 30 maintenance organisation approval holders will have the following options, depending on their current and intended future scope:

 continuing to do business under the licence privileges of employed licensed aircraft maintenance engineers

or

taking up a Part 43 AMTC authorisation

 transitioning to a Part 145 maintenance organisation approval, including improvements to scalability and proportionality in development under the air transport continuing airworthiness (ATCA) maintenance rules project

Note: CASA is developing new CASRs for the air transport sectors in parallel with the Part 43 project, including CAR to CASR transition for the previous charter sector. CAR 30 approvals will remain available until appropriate and proportionate Part 145 pathways are finalised.

- Increased flexibility for existing LAMEs to expand their scope and privileges, based on local demonstration of competency.
- A new kind of maintenance permission, AMTC, to cover scenarios where a Part 66
 licence or maintenance organisation approval are unnecessary. AMTCs are primarily
 intended for transition of miscellaneous CAR maintenance permissions as applicable to
 the private and aerial work sectors, maintenance of recreational aircraft, and some
 component maintenance.

Throughout both previous policy consultations, the Aviation Safety Advisory Panel (ASAP) and its associated Part 43 Technical Working Group (TWG) were involved to provide input into CASA's processes and industry engagement to ensure the policy remains appropriate and practical for the sector. The TWG achieved general consensus to support the proposed policy and draft legislation, and subsequently this was supported by the ASAP, with advice provided accordingly to the CASA CEO/Director of Aviation Safety.

About the consultation

The aim of this consultation was to ensure that the draft Part 43 legislation and explanatory materials accurately reflected the previously developed policies.

In particular, we sought your feedback about:

- whether the draft Part 43 regulations and MOS accurately reflected the detailed policies that were developed through the previous policy consultations (Ref. <u>CD 1812SS</u>), including whether there were any unintended practical consequences
- whether the Plain English Guide (PEG) was a useful and practical advisory document.

We also provided an opportunity for people to provide any other comments or feedback.

Respondents

All submissions were reviewed and analysed.

A total of two hundred and eighty-five (285) written submissions were received, including some submissions provided by respondents outside the consultation hub survey, but which the respondent requested be considered in the consultation.

CASA also carried out a range of other activities supporting the consultation, including webinars and face to face presentations. This summary includes consideration of feedback received through those activities.

Respondent data

The following is a summary of how key respondent groups were represented as identified in the consultation survey:

Owner/operators: 113

Pilots: 188

Maintenance engineers: 180

CAR 30 maintenance organisation approval holders: 30

Part 145 Approved Maintenance Organisations: 8

Summary of feedback

The submissions generally indicated that the draft legislation was an accurate rendering of the intended policies and that the PEG was a helpful document.

The main themes identified in the submissions are summarised in the following section, with some contextual information on the relevant subject.

It is noted that of the submissions which addressed policy issues, most of the policy themes were similar to those put forward in response to the previous policy consultation <u>CD 1812SS</u>.

Consultation themes

Achieving intended objectives

The feedback generally acknowledged that the Part 43 policies and legislation would achieve the intended objectives of:

- reduced regulatory burden, less administration and red tape, and lower costs
- improved services for regional areas
- simpler, more practical regulations.

Clear legislation, explanatory material and PEG

The feedback generally indicates that the PEG is a useful and effective document for industry.

However, some responses indicated that some readers were having difficulties absorbing and understanding the information. Some respondents were uncertain about whether the MOS reflected the previously agreed policies; some respondents were unsure whether the PEG and associated information sheets and advisory circulars could be better presented; and there were a range of questions about the details of the legislation. CASA has noted areas that were most often queried, and these will be worked in more detail and discussed with the Technical Working Group.

The need for maintenance organisation approvals

Several respondents suggested that the current arrangements under the CARs, which drive maintenance organisation approvals for most maintenance, should be retained to ensure appropriate safety outcomes. In particular, the view was expressed that maintenance organisations approved by CASA are essential to prevent independent LAMEs carrying out maintenance in an unsafe manner.

The proposed policies for maintenance organisations are conservatively consistent with the contemporary international approach for regulation of maintenance in the general aviation sectors. Like-minded countries such as the USA, New Zealand, Canada and EASA countries, do not require maintenance organisation approvals for most maintenance in the GA sectors. These countries have established regulatory systems with appropriate safety outcomes using this approach.

Some comments raised questions about when a maintenance organisation is required. Part 43 would generally adopt FAR Part 43 policies in relation to when a maintenance organisation is required, but would include some additional requirements for maintenance organisation approvals for turbine engines and transport category aircraft. These requirements in addition to the FARs, whilst conservative, were introduced to address industry feedback during policy development and to ensure that the maintenance requirements are proportionate to the complexity of the aircraft or aeronautical product, thereby ensuring appropriate levels of safety are maintained in the Australian context.

Increased competition for CAR 30 maintenance organisations

Several respondents noted that the proposal to provide increased scope for independent LAMEs to exercise their licence privileges without the need to also hold a maintenance organisation approval would significantly reduce the costs associated with providing maintenance services. This was generally considered to be a positive outcome for industry; however, some respondents were concerned that this would create an unfair commercial advantage to new maintenance businesses, which would disadvantage existing CAR 30 maintenance organisation approval holders.

Reducing costs for industry is a key objective of Part 43 and CASA's GA Workplan. However, it is understood that appropriate pathways need to be available to existing businesses. It is noted that a maintenance organisation approval would still be required for complex maintenance, both under the proposed Part 43 and for the air transport sectors. It is envisioned that existing CAR 30 maintenance organisations may transition directly into Part 43 arrangements with associated reduced administrative costs, using the licences of employed LAMEs. CAR 30 maintenance organisations will also be able to continue to provide services under their existing approvals until proportionate and practical transition pathways are available (which are being developed in parallel under the Air Transport Continuing Airworthiness project).

LAME scope and privileges

Responses indicated that the additional scope and flexibility that is available to LAMEs is generally beneficial and appropriate in these sectors. Particularly in relation to all LAMEs being able to expand their scope and privileges under local supervision arrangements, and for the B1 licence to be the basis of permissions to certify annual and 100 hourly inspections.

However, some respondents disagreed with the ability for LAMEs to expand their scope and privileges under local supervision on the basis that all LAME training should be carried out under the current arrangements which require formal organisational approvals granted by CASA. The proposed additional flexibility for LAMEs is based on the USA FARs, which have a good safety record. Making this additional flexibility available to Australian industry under the proposed Part 43 is consistent with the principles of CASA's GA Workplan to provide more proportionate requirements for the general aviation sectors.

Some respondents also disagreed that B1 LAMEs should be permitted to certify annual and 100 hourly inspections on the basis that a B2 licence should be required to certify all avionics inspections. These proposed permissions for B1 LAMEs are broader than the current CAR maintenance release requirements; however, the current arrangements stem from the old CAR 31 licensing system. The current Part 66 licensing system provides considerably more scope for B1 LAMEs in relation to avionics inspections. It should also be noted that a B2 licence would still be required for more complex avionics maintenance.

Some respondents expressed concerns about different scope and permissions for maintenance under Part 43 compared to the rules for air transport sectors. It is acknowledged that the proposed Part 43 would create some differences in this area. More proportionate standards with additional flexibility for GA industry are a key objective of CASA's GA Workplan. This policy and legal drafting approach is specifically intended to limit the additional flexibility to GA maintenance under the proposed Part 43 - these provisions would not be applicable to the air transport

sectors. CASA understands that effective education and engagement strategies will be required in this area.

Inspection Authorisation (IA)

Some responses expressed disagreement with the proposed IA requirements, either in general or in particular. The main concerns included:

- disagreement about the need for an IA in addition to a Part 66 licence
- the scope, suggesting that it is inappropriate, unsafe, and unfair to base the IA for annual inspections on the B1 licence but not the B2 licence, noting that a B1 licence covers considerably less avionics scope than a B2 licence
- the eligibility and renewal arrangements.

Part 43 would permit independent LAMEs to certify annual inspections, which is a considerable and deliberate improvement for industry to provide more scope for independent LAMEs. This is intended to reduce costs and improve the viability of small maintenance business opportunities, compared to the current arrangements which generally restrict maintenance release inspections to maintenance organisations. However, the proposed Part 43 annual inspection requires assessment of an aircraft in relation to its Part 21 certification basis, and this competency is not included in Part 66 licensing standards. The IA is intended to cover that competency. Existing qualifications that meet the required competency standards are intended to be accepted accordingly.

Some comments indicated a misunderstanding of the proposed Part 43 IA arrangements. This area will be explored further by CASA and the TWG to ensure that there are no unintended consequences and that there is a common understanding of how the IA arrangements would work. The intention of the proposed Part 43 IA scheme generally aligns with the corresponding USA scheme in FAR Parts 43 and 65, particularly for annual inspections which are primarily airframe, engine and mechanical inspections and the associated avionics inspections considered to be adequately covered by B1 and IA training.

However, CASA agreed with industry feedback during policy development that it would be appropriate to have an Avionics IA for complex avionics modifications, similar to the New Zealand IA system. An Avionics IA has been included in the draft Part 43 IA legislation accordingly.

Aircraft Maintenance Technician Certificates (AMTC)

AMTCs were broadly seen as an appropriate and effective mechanism to provide a range of flexible and proportionate maintenance permissions in the general aviation environment, particularly for transition of various existing maintenance permissions under the CARs, specialised maintenance services and maintenance of recreational aircraft.

However, some responses expressed disagreement with the proposed AMTCs either in general or in particular. Concerns ranged from disagreement about the:

 need for a kind of maintenance permission other than approved maintenance organisations and Part 66 licences

- legal framework, suggesting that CASA has inadequately replicated the USA FAR Part
 65 Aircraft Maintenance Technician scheme and that all maintenance permissions
 should be Part 66 licences
- competency standards, suggesting that AMTC standards are inadequate and that the AMTC competency standards should be qualifications in the Australian National Vocational Education and Training (VET) system
- AMTC scheme, concerned this will undermine Part 66 licensing and exacerbate the current LAME shortage.

It is important that the proposed AMTC arrangements are clear and fit for purpose. Some concerns may reflect the need for CASA to obtain a deeper understanding of any consequences and implications of what is being proposed. This will be discussed and worked through with the Technical Working Group.

The proposed AMTC permissions are intended to cover scenarios where a Part 66 licence or maintenance organisation approval are unnecessary or inappropriate, not to replace licences as the primary maintenance certification permission. The scheme is based, in part, on the USA FAR Aircraft Maintenance Technician scheme, but with some additional pathways to cover existing Australian permissions that need to be transitioned from the CARs to CASR, such as CAR 33B airworthiness authorities for welding and Non-Destructive Testing and CAR 42ZC(6) authorisations.

AMTCs provide defined and limited maintenance permissions that are primarily intended for transition of miscellaneous CAR maintenance permissions, maintenance of recreational aircraft such as light sport aircraft and experimental aircraft, and some component maintenance. They are restricted in scope according to the need and competency standards, giving significantly less privileges and scope than a Part 66 licence. In all cases AMTCs are limited to Part 43 maintenance, i.e., AMTCs will not be applicable to the air transport sectors, but they may be used as a pathway towards achieving a Part 66 licence.

CASA agrees that AMTC competency standards should be integrated into the national VET system. CASA will recognise appropriate VET qualifications as acceptable means of compliance for an AMTC, as appropriate for the particular kind of AMTC. CASA will engage with the Department of Employment and Workplace Relations and the Australian Industry and Skills Committee to have VET training packages developed for AMTCs as a Part 43 implementation activity. However, it must be understood that VET qualifications will not be required for transition of existing maintenance permission holders under the CARs that are not tied to VET qualifications.

Aircraft utilisation across sectors - Part 43 to air transport operations

Several responses expressed concerns and sought clarification about how an aircraft owner/operator would be able to use an aircraft in air transport operations after it had been used in Part 43 operations (i.e., private and aerial work operations).

Utilisation of aircraft across operational sectors is commonplace. Common scenarios include:

- operators using their own aircraft across multiple kinds of operations
- operators purchasing Australian aircraft for operation in different sectors

 operators purchasing used aircraft from foreign countries for operation in different sectors.

It is a well-established regulatory principle that an aircraft must comply with the applicable continuing airworthiness requirements for the kind of operation in which it is intended to be used. That principle would also apply under Part 43. The processes for an operator to use an aircraft across operations are well established in industry, and similar processes may be used to use aircraft across operations to and from Part 43.

Alignment with the USA FARs

Feedback on alignment with the USA FARs was mixed, with some respondents suggesting that the draft legislation does not adequately align with the USA FARs, and other respondents suggesting that the draft legislation should not align so closely with the USA FARs.

CASA has sought to align the proposed Part 43 closely with the USA FARs both in policy and legislation, but it has been necessary to make some variations to address issues such as:

- meeting Australian legal drafting standards
- amalgamating the USA FAR policies with other elements of the Australian civil aviation requirements (such as Part 66 licensing)
- providing practical and appropriate transition pathways for existing approval holders
- including policy variations consulted with industry that are considered necessary and appropriate for the contemporary Australian environment.

In all cases, particularly where policy or legislative variations are proposed, CASA will continue to focus on achieving appropriate and practical outcomes for Australian industry as the primary objective.

CASA oversight and surveillance

Some respondents expressed concerns about CASA's future oversight, in particular, CASA either could not or would not carry out effective surveillance of activities under Part 43.

It is understood that CASA would have to make some adjustments to its oversight strategy. This is a normal consideration for CASA at implementation of new legislation and this is adequately covered by existing CASA functions and processes.

It is also noted that the proposed Part 43 is based on the USA FARs, is very similar to the New Zealand Part 43, and is generally aligned with the contemporary international approach for regulation of maintenance in the general aviation sectors. This would provide avenues for CASA to develop and implement an appropriate and effective regulatory oversight strategy.

Insurance

Some respondents have expressed concerns about insurance for independent LAMEs, specifically that insurance will not be available or that the costs will be prohibitive.

It is understood that most Australian insurance providers do not currently provide the kinds of insurance that would be sought by independent maintainers working under Part 43. This is

because currently there is no demand for such insurance in the Australian context. However, insurance providers have confirmed that in principle, they would provide insurance packages for future Part 43 services.

It is also noted that the proposed Part 43 is similar to the arrangements in many other countries, so it is expected that insurance providers will be able to respond quickly to industry needs based on international experience.

Representative organisation comments

The proposed Part 43 was supported and encouraged by the Aerial Agriculture Association of Australia, The Australian Warbirds Association Limited and members of the Aircraft Owners and Pilots Association.

Recreational Aviation Australia commended the intent to provide a more risk based, proportionate and flexible set of rules for general aviation, but expressed concerns about some areas. The main issues raised included:

- the consultation process, particularly in relation to AMTCs and associated standards
- alignment with the requirements for aircraft covered by Approved Self-Administering Organisations
- safety education for registered operators
- prioritisation and resolution of broader issues in CASA's regulatory program.

CASA acknowledges that the time and events between policy consultation and consultation of draft legislation have made it difficult for industry to keep track of the Part 43 project. CASA is progressively building the information that industry needs to understand the proposals and the associated practical effects for operators, maintainers and businesses.

The Sport Aircraft Association of Australia and some of its members generally supported the proposal and provided input on a range of matters mostly relating to recreational aircraft, particularly experimental amateur built aircraft. Main issues raised included:

- concern that the proposed Part 43 would not apply directly to aircraft covered by Approved Self-Administering Organisations
- some aspects of the proposed requirements for experimental aircraft, particularly in relation to applicability, preserving the current arrangements for weight and balance, and maintenance, suggesting that the proposed minimum training times for AMTCs for experimental aircraft should be increased.
- preservation of some existing administrative mechanisms, such as systems of certification and the maintenance release form.

In relation to aircraft covered by Approved Self-Administering Organisations, the Approved Self-Administering Organisation rules are specifically intended to provide a distinct set of arrangements for certain recreational aircraft. However, CASA agrees that there needs to be clarity and efficiency around how the different rules interact. CASA is continuing to work on both the proposed Part 43 and the rules for aircraft covered by Approved Self-Administering Organisations, and will ensure that the policies, rules, interfaces and applicability are clear and consistent across the recreational aircraft sectors.

The Australian Licensed Aircraft Engineers Association (ALAEA) and some of its members submitted responses generally opposing the introduction of Part 43 because of a perceived unacceptable lowering of safety standards. 88 identical submissions were received that expressed this opinion. Main issues included:

- the perceived need for maintenance organisation approvals to ensure appropriate levels of safety
- all Part 43 maintenance permissions should be Part 66 licences
- the proposed policies and draft legislation do not sufficiently align with the USA FARs in all regards
- concerns about the consultation process.

These issues are generally consistent with the broader consultation themes described in the sections above.

The Aircraft Maintenance Repair and Overhaul Business Association (AMROBA) and some of its members also submitted responses that generally opposed Part 43. AMROBA respondents suggested that the proposed Part 43 would be unsafe because of:

- the reduced need for maintenance organisation approvals
- the policies and draft legislation do not sufficiently align with the USA FARs, particularly
 in relation to licensing, maintenance permissions, and some USA airport regulations for
 Fixed-Base Operators (FBO) that are not directly related to Part 43 maintenance
 legislation.

These issues are generally consistent with the consultation themes described above.

Regarding FBOs, CASA has confirmed with the FAA that FBOs do not have a role in aircraft maintenance unless they also hold an FAA repair station approval.

Next steps

This consultation focused primarily on whether the draft legislation was faithful to the agreed policies. The information obtained in this consultation and described in this summary of consultation (SOC) should be understood on that basis. This SOC is intended to describe the feedback that was received in general terms and provide the relevant considerations associated with the main themes - it is necessarily not an exact replication of each response.

It must be recognised that whilst CASA has sought to engage effectively with industry throughout the policy and legislation development process, the views of each affected party were not canvassed, so this SOC only reflects the views of the respondents. It is also noted that various parties who are not engaged in the private and aerial work industry sectors have provided their views on this proposal, which may have been grounded in their air transport work environment.

Decisions on public policy matters are taken based on a considered evaluation of consultation feedback in the context of other relevant drivers, data, and information sources. CASA acknowledges that some groups and individuals have expressed concerns about this proposal, either in particular or in general. CASA will work towards resolving those concerns and engage with the Part 43 technical working group and the broader industry accordingly as this project progresses.

As we progress Part 43, we will remain mindful of the long-term shared view of the wider Australian GA industry and key Part 43 stakeholders that the adoption of USA FAR Part 43-based policies and legislation will be appropriate and beneficial for Australian industry. Our work on Part 43 will continue to be guided by the broader direction, principles, and objectives of the GA Workplan to support safety outcomes in a manner that minimises regulatory and administrative burden for industry, as well as providing appropriate and practical pathways for existing businesses.