

# **Civil Aviation (Fees) Amendment Regulations 2004 (No. 1) 2004 No. 211**

## **EXPLANATORY STATEMENT**

Statutory Rules 2004 No. 211

Issued under the authority of the Minister for Transport and Regional Services

Civil Aviation Act 1988

### *Civil Aviation (Fees) Amendment Regulations 2004 (No. 1)*

Subsection 98 (1) of the *Civil Aviation Act 1988* (the Act) provides, in part, that the Governor-General may make regulations, not inconsistent with the Act, prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed, for carrying out or giving effect to the Act, and regulations in relation to safety of air navigation, being regulations with respect to matters with respect to which the Parliament has power to make laws.

Paragraph 98(3)(u) of the Act provides that the Governor-General may make regulations prescribing fees, either by specifying amounts or by prescribing a method of calculation, in relation to services, applications or requests, or the doing of anything, under the Act, the regulations or the Civil Aviation Orders.

The Regulations amend the Civil Aviation (Fees) Regulations (the Fees Regulations) to align the fees currently charged for regulatory services provided by the Civil Aviation Safety Authority (CASA) with today's prices and to position CASA and the aviation industry for the move to full cost recovery for those services in line with the Government's policy on cost recovery. The current fees and charges have been in place since 1995 and have neither been adjusted for inflation nor the goods and services tax. The impact has been that CASA's revenue from fees and charges has steadily declined in real terms and not maintained parity against the actual cost of the services provided.

The Regulations give effect to the Minister for Transport and Regional Services' announcement in the 2004-2005 Portfolio Budget Statement for measures to increase CASA fees and charges and to reflect the Government's policy on cost recovery.

In developing the Regulations, CASA undertook a cost modelling analysis in an effort to calculate the true cost of CASA activities. Nevertheless, it was decided not to recover the whole cost of providing services at this stage, as part of a staged implementation of full cost recovery in line with the Government's guidelines for cost recovery.

The increase to the hourly rate charged for CASA regulatory services is limited to the calculated direct staff costs, together with an overhead which takes into account increases in staff costs over the past nine years and is adjusted from \$75 per hour to \$130 per hour. Increases in fixed fees for regulatory services are calculated on the direct staff costs, together with an administrative fee which takes into account increases in the Consumer Price Index (CPI) over the nine-year period, and the addition of the 10% Goods and Services Tax (GST) for those services subject to that tax.

No new fees or charges are being imposed by the Regulations. That is, although the fees and charges for the services currently listed in the Fees Regulations are being increased, no new services are being added to the list. Nevertheless, the Regulations do clarify existing services by

amending terminology to align with the new *Civil Aviation Safety Regulations 1998* (CASR) and dividing generic descriptions of services into specific subsets of those services.

The Regulations provide transitional measures for services which are requested before, but which are provided after, commencement of the Regulations. In the case of a service for which a fixed fee is payable and for which the fee has been paid before the commencement of the regulations, the fee is that which applies before the commencement of the Regulations. In most cases the fixed fee is paid up-front, that is, when the service is requested.

In relation to a service for which the hourly rate is payable which is requested and CASA has begun to provide the service, or CASA has provided a written estimate based on the existing fee that has been agreed to by the applicant before the commencement of the Regulations, the Regulations provide that such a service will continue to be charged at the hourly rate existing prior to commencement, until its completion.

The Regulations also make technical amendments to change the citation of the Fees Regulations, align the terminology used in the Fees Regulations with the terminology in the *Civil Aviation Regulations 1988* (CAR) and the *Civil Aviation Safety Regulations 1998* (CASR), and to remove charges that are no longer applicable.

CASA briefed its strategic advisory body, the Aviation Safety Forum (ASF) and its regulatory development consultative body, the Standards Consultative Committee (SCC) in mid May 2004. The ability to consult was limited because of the short time frame produced by the confidentiality of the budget process.

The Office of Regulation Review (ORR) has assessed that the preparation of a Regulation Impact Statement (RIS) is not required for the Regulations. However, CASA has prepared and certified a Cost Recovery Impact Statement (CRIS) in accordance with Financial Management Guidelines. The CRIS is available on the CASA website at [rrp.casa.gov.au/fees](http://rrp.casa.gov.au/fees).

Details of the Regulations are attached.

The Regulations commence on the date of their notification in the *Gazette*.

**ATTACHMENT**  
*Civil Aviation (Fees) Amendment Regulations 2004 (No. 1)*  
**DETAILS OF THE PROPOSED REGULATIONS**

**Regulation 1 - Name of Regulations**

Regulation 1 names the Regulations as the *Civil Aviation (Fees) Amendment Regulations 2004 (No. 1)*.

**Regulation 2 - Commencement**

Regulation 2 provides that the Regulations commence on the date of their notification in the *Gazette*.

**Regulation 3 - Amendment of Civil Aviation (Fees) Regulations**

Regulation 3 provides that Schedule 1 amends the Civil Aviation (Fees) Regulations (the Fees Regulations).

**Regulation 4 - Transitional**

Regulation 4 provides that the amendments made by regulation 3 will not affect the fee payable by a person for services for which a fixed fee is payable, provided the fee has been paid before the commencement of the regulations. For services where an hourly rate is payable the amendment will not affect the fee payable provided the Civil Aviation Safety Authority (CASA) has provided a written estimate based on the existing fee before the commencement or CASA had begun to provide the service before the commencement of the regulations.

**Schedule 1 Amendments**

(regulation 3)

**Item 1 Regulation 1**

Item 1 renames the regulations from the Civil Aviation (Fees) Regulations to the *Civil Aviation (Fees) Regulations 1995* in line with current drafting practice.

**Item 2 Regulation 3**

Item 2 omits regulation 3 as this regulation is now redundant. Regulation 3 previously required two Australian airlines to pay regulatory service fees to CASA for the financial year beginning on 1 July 1995. Those fees have been paid and there is no further need for the regulation.

**Item 3 Paragraph 4 (2) (b)**

Item 3 increases the current regulatory service fee hourly rate of \$75.00 per hour to \$130.00 per hour. The increase is based on the calculated direct staff costs, together with an overhead which takes into account average increase over the past nine years in staff costs in relation to staff providing regulatory services.

**Item 4 Schedule, before table**

Item 4 defines the terms 'accelerated training program' and 'practical consolidation training' for the purposes of new paragraph 8.3 (b) of the Schedule of the Fees Regulations (see item [13]).

**Item 5 Schedule, table, item 1.1**

Item 5 includes a reference to an export airworthiness approval which is the terminology currently used in Part 21 of the Civil Aviation Safety Regulations (CASR) to describe an export certificate of airworthiness. This change reflects a change in terminology only and does not introduce a new fee.

**Item 6      Schedule, table, item 2.1**

Item 6 amends item 2.1 of the Schedule to the Fees Regulations to now refer the assessment of an application for the issue of a type certificate, a supplemental type certificate or a type acceptance certificate, which had been introduced by Part 21 of the CASR and had not previously been identified in the schedule. This change reflects changes in terminology only and does not introduce a new fee.

**Item 7      Schedule, table, item 2.3**

Item 7 amends item 2.3 of the Schedule to the Fees Regulations to now include the assessment of an application for the issue, renewal or variation of a production certificate, an Australian Parts Manufacturer Approval or an Australian Technical Standard Order authorisation, and the approval or re-approval, of a production inspection system. This change is made to reflect the changes in terminology introduced by Part 21 of the CASR and does not introduce new fees.

**Item 8      Schedule, table, item 5.1**

Item 8 amends item 5.1 of the Schedule to the Fees Regulations by the addition of an 'operating certificate' which is now required for certain operational activities separately to an Air Operator's Certificate (AOC).

**Item 9      Schedule, table, item 7.1**

Item 9 substitutes new fees in item 7.1 of the Schedule to the Fees Regulations for the various components of the examination for the purpose of qualifying for the issue of an aircraft maintenance engineer licence. For the core or specific group subject the fee per subject is \$120 (up from \$110). For the specific type subjects the fee per part is \$190 (up from \$175) and for the category technical competency examination the fee per category is \$105 (up from \$95).

**Item 10     Schedule, table, item 7.2, column 3**

Item 10 substitutes a new fee in item 7.2 of the Schedule to the Fees Regulations of \$210 for the existing fee of \$190 for a written examination for the purpose of qualifying for the issue of an authority to conduct Non-Destructive Testing.

**Item 11     Schedule, table, item 7.5**

Item 11 substitutes a new fee in item 7.5 of the Schedule to the Fees Regulations of \$80 per subject for the existing fee of \$75 per subject for the re-mark of a licensed aircraft maintenance engineer examination paper for core subjects, specific group-radio subjects and specific group - other subjects.

Item 11 also substitutes a new fee of \$210 per type for the existing fee of \$190 per type for the re-mark of a licensed aircraft maintenance engineer examination paper, specific type.

**Item 12     Schedule, table, item 8.1, column 3**

Item 12 amends the fee prescribed in item 8.1 for the processing of an application for the issue of an aircraft maintenance engineer licence from \$205 to \$45.

Under the previous formulation, the fee of \$205 included the administrative charge for the initial issue of the licence together with the technical assessment and application of the necessary initial ratings for the licence.

Under current practice, the administrative processing of an application for the licence issue is separate from the technical assessment of the licence ratings function. The assessment and endorsement of the necessary ratings that make up the licence is now charged under Items 8.2 and 8.3 of the Schedule to the Fees Regulations (See [Item 13]). Item 12 therefore only relates to the fee charged for the administrative processing component for the issue of the licence.

### **Item 13      Schedule, table, items 8.2 and 8.3**

Item 13 substitutes a new fee in item 8.2 of \$75, up from the existing fee of \$60 for an assessment of an application for the renewal of an aircraft maintenance engineer licence.

Item 13 also provides, in item 8.3, the fees for the issue of a rating on an aircraft maintenance engineer licence to reflect changes in terminology (to clarify the regulations relating to a licence rating) and in licensing practices and does not introduce additional fees.

The revised fees are set on the basis of the assessment method used.

For assessment based on evidence of practical experience the fee is \$190, up from the existing fee of \$110.

For those utilising programs designed to provide experienced licensed maintenance engineers with a means of gaining formalised exposure to the practical aspects of aircraft maintenance within a reduced period of time, or provide experienced licensed maintenance engineers with training in relation to a new type of aircraft in less than the normal time, the fee is \$170.

For assessment of an application based on an overseas aircraft maintenance engineer licence the fee is \$170.

The existing fee of \$20 per additional endorsement is now irrelevant and redundant due to changes in terminology (to clarify the regulations relating to a rating) and changes in licensing practice and is replaced by the assessment methods depending on experience.

### **Item 14      Schedule, table, item 9.1, column 3**

Item 14 substitutes a new fee of \$50 for the existing fee of \$45 for an examination for the purpose of qualifying for the issue of a Private Pilot Licence.

### **Item 15      Schedule, table, items 9.2 and 9.3**

Item 15 sets the new fee for examination for the purpose of qualifying for the issue of a commercial pilot licence at \$40 per subject, substituting for the existing fee of \$50 per examination.

Item 15 also sets the fee per subject for examination for the purpose of qualifying for the issue of air transport pilot licence at \$40, substituting for the existing fee of \$100 per examination.

### **Item 16      Schedule, table, item 9.4, column 3**

Item 16 substitutes a new fee of \$80 for the existing fee of \$75 for examination for the purpose of qualifying for the issue of a student flight engineer licence.

### **Item 17      Schedule, table, item 9.8**

Item 17 substitutes a new fee of \$75 for the existing fee of \$70 for the re-mark of a multi-choice format flight crew examination paper.

**Item 18 Schedule, table, item 10.1, column 3**

Item 18 substitutes a new fee of \$50 for the existing fee of \$25 for the assessment of an application for the issue of a private pilot licence together with a flight radiotelephone operator licence.

**Item 19 Schedule, table, item 10.2, column 3**

Item 19 substitutes a new fee of \$55 for the existing fee of \$45 for the assessment of an application for the issue of a commercial pilot licence together with a flight radiotelephone operator licence.

**Item 20 Schedule, table, item 10.3, column 3**

Item 20 substitutes a new fee of \$65 for the existing fee \$60 for the assessment of an application for the issue of an air transport pilot licence together with a flight radiotelephone operator licence.

**Item 21 Schedule, table, items 10.4 and 10.5**

Item 21 amends item 10.4 of the Schedule to the Fees Regulations to reflect that a flight engineer licence is a licence under the collective description of a 'flight crew licence'. Item 10.4 relates to the "processing of an application for the issue of a flight crew licence-flight engineer". The fee remains unchanged at \$55.

Item 21 also sets the fees for the processing of an application for the issue of a certificate of validation for private operations or commercial operations. For private operations the new fee is \$85 up from the existing fee of \$55, for commercial operations the fee remains at \$100. This item also clarifies the regulations relating to a rating and provides that if the certificate includes a rating there is an additional new fee of \$75 for each rating up from the existing fee of \$20. If the certificate includes an aircraft endorsement there is an additional new fee of \$90 for each endorsement up from the existing fee of \$20.

**Item 22 Schedule, table, item 10.6, column 3**

Item 22 substitutes a new fee of \$80 for the existing fee of \$50 for the processing of an application for the issue of a special pilot licence.

**Item 23 Schedule, table, item 10.7, column 3**

Item 23 substitutes a new fee of \$85 for the existing fee of \$10 for the processing of an application for the issue or renewal of a flight crew rating.

**Item 24 Schedule, table, item 10.8, column 3**

Item 24 substitutes a new fee of \$55 for the existing fee of \$15 for the assessment of an application for the issue of an aircraft endorsement on a flight crew licence- per endorsement.

**Item 25 Schedule, table, item 10.9, column 3**

Item 25 sets the new fee for an application for the issue of aircraft endorsement on the basis of an overseas endorsement at \$60 per endorsement up from the existing fee of \$20.