

Explanatory Statement

Civil Aviation Safety Regulations 1998

Part 66 Manual of Standards and Part 147 Manual of Standards Amendment Instrument 2023 (No. 1)

Purpose

The purpose of *Part 66 Manual of Standards and Part 147 Manual of Standards Amendment Instrument 2023 (No. 1)* (the *instrument*) is to amend the Part 66 Manual of Standards (the *Part 66 MOS*) to provide for a new licensing structure (modular licensing) for aircraft maintenance engineers (*AMEs*). The instrument also makes a related amendment to the Part 147 Manual of Standards (the *Part 147 MOS*) to enable maintenance training organisations (*MTOs*) to carry out aircraft category training for modular licences.

The aim of modular licensing is to address the shortage of licensed AMEs currently available to maintain Australian aircraft by making it easier for persons to obtain an aircraft engineer licence (*AEL*). Persons who meet specified requirements will be able to initially obtain a ‘restricted’ AEL that is subject to exclusions of specified aircraft systems or subsets. This will enable AMEs to carry out some kinds of aircraft maintenance sooner than if they had to complete a ‘full’ aircraft engineer licence. These AMEs will be able to gradually increase the scope of their licence by having exclusions removed from their licence after they successfully complete the required practical maintenance experience, and the MTO training and assessment required under the Part 147 MOS for the exclusion removal.

Legislation

Under section 9 of the *Civil Aviation Act 1988 (the Act)*, the Civil Aviation Safety Authority (*CASA*) has the function of conducting the safety regulation of a range of matters, including, under paragraph 9(1)(c), developing and promulgating appropriate, clear and concise aviation safety standards.

Section 98 of the Act empowers the Governor-General to make regulations for the Act and in the interests of the safety of air navigation. Relevantly, the Governor-General has made the *Civil Aviation Safety Regulations 1998 (CASR)*. Under subsection 98(5A) of the Act, the regulations may empower CASA to issue instruments in relation to, among other matters, the maintenance and airworthiness of aircraft.

Part 66 of CASR, *Continuing airworthiness—aircraft engineer licences and ratings*, deals with AELs and ratings, granted by CASA for:

- the performance of maintenance certification for maintenance carried out on aircraft
- issuing certificates of release to service for aircraft in relation to maintenance carried on aircraft.

For subsection 98(5A) of the Act, regulation 66.015 of CASR empowers CASA to issue a Manual of Standards for Part 66 of CASR, prescribing matters required or permitted to be prescribed by the Part 66 MOS or necessary or convenient to be prescribed for carrying out or giving effect to Part 66. In particular, the following provisions of regulation 66.015 provide for the following matters to be specified:

- paragraph 66.015(2)(f) provides for the specification of training and experience requirements for the grant of an aircraft engineer licence

- paragraph 66.015(2)(g) provides for the required subject modules for an aircraft engineer licence
- paragraph 66.015(2)(r) provides for the aircraft systems or subsets of aircraft systems that may be excluded from the scope of a category B1 or B2 licence
- paragraph 66.015(2)(i) provides for the Part 66 MOS to specify the required level of knowledge for each subject module, or each part of a subject module.

Part 1 of the CASR Dictionary defines ***aircraft engineer licence*** to mean any of the following licences granted under regulation 66.025 or 66.026:

- subcategory A1;
- subcategory A2;
- subcategory A3;
- subcategory A4;
- subcategory B1.1;
- subcategory B1.2;
- subcategory B1.3;
- subcategory B1.4;
- category B2;
- category C.

Part 3 of the CASR Dictionary defines ***category B1 licence*** and ***category B2 licence***. ***Category B1 licence*** means a subcategory B1.1, B1.2, B1.3 or B1.4 aircraft engineer licence. ***Category B2 licence*** means a ***category B2 aircraft engineer licence***.

Regulation 66.018 of CASR sets out the kinds of aircraft in relation to which an AEL may be granted. For example, a subcategory B1.1 licence may be granted in relation to a turbine-engined fixed wing aeroplane, while a Subcategory B1.4 licence may be granted in relation to a piston-engined helicopter.

Under subregulation 66.026(1) of CASR, subject to regulation 11.055, CASA may grant an AEL to an applicant subject to the exclusion of an aircraft system or a subset of an aircraft system if the applicant meets certain requirements specified in the subregulation or is a licensed aircraft maintenance engineer (LAME), and the aircraft system or subset is specified in the Part 66 MOS as a system or subset that may be excluded from the scope of a category B1 or B2 licence.

Part 147 of CASR, *Continuing airworthiness—maintenance training organisations*, deals with MTOs, including requirements for approval as an MTO and requirements that apply to MTOs, and empowers CASA to issue a MOS for the Part.

Maintenance training organisation is defined in Part 1 of the CASR Dictionary as a person who holds an approval under regulation 147.030 that is in force.

For subsection 98(5A) of the Act, regulation 147.015 of CASR empowers CASA to issue a Manual of Standards for Part 147 of CASR that specifies matters affecting maintenance or airworthiness of aircraft. In particular, paragraph 147.025(1)(a) provides for the MOS to specify the category training an MTO may be approved to provide.

Under subsection 14(1) of the *Legislation Act 2003* (the **LA**), a legislative instrument may make provision in relation to matters by applying, adopting or incorporating provisions of an Act or disallowable legislative instrument as in force at a particular time or as in force from time to time. A legislative instrument may also make provision in relation to matters by applying, adopting or incorporating any matter contained in any other instrument or writing as in force at, or before, the time the legislative instrument commences. Under subsection 14(2) of the LA, unless the contrary intention appears, the legislative instrument may not make provision in relation to a matter by applying, adopting or incorporating any matter contained in an instrument or other writing as in force or existing from time to time. However, subsection 98(5D) of the Act provides that, despite section 14 of the LA, a legislative instrument made under the Act or the regulations may apply, adopt or incorporate any matter contained in any instrument or other writing as in force or existing from time to time, even if the other instrument or writing does not yet exist when the legislative instrument is made.

Under subsection 33(3) of the *Acts Interpretation Act 1901*, where an Act confers a power to make, grant or issue any instrument of a legislative or administrative character (including rules, regulations or by-laws), the power shall be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend, or vary any such instrument.

Background

CASA's current aircraft maintenance engineer licensing scheme under Part 66 of CASR is largely based on the European Union Aviation Safety Agency (EASA) licensing scheme. The category B1 and category B2 licences that are issued are consistent with the types of licence issued in EASA countries. The B1 (Mechanical) licence covers airframe and engine, with some electrical privileges. The B2 (Avionics) licence covers electrical, radio and instrument privileges.

Since Part 66 of CASR was made, CASA has received considerable feedback from industry, including representative bodies, to the effect that the Part 66 AME licence pathways are inflexible when compared to the previous 'CAR 31 five-category process' that operated under the *Civil Aviation Regulations 1988*, and that a modular licensing structure under which a person can 'build up' their licence would be preferable. Such a structure would enable persons to initially operate on only those aircraft systems and subsystems for which they meet the relevant basic knowledge and competency, and practical experience, requirements and then add to their licence according to their own career pathway or their employer's needs.

For example, a person who has only completed basic training (knowledge modules and practical experience) for piston engines could be granted a modular licence to work on piston engines, with exclusions applied to the licence in respect of other maintenance activities. But, by removing the exclusions applied to the licence, the person could work on airframes or other aircraft systems once they have completed the additional basic training modules and experience required to carry out maintenance on those systems.

The modular licensing system introduced by the instrument will allow people with partial training, who hold AELs that have expired relatively recently or who hold foreign licences with ‘shortfalls’, to obtain modular licences which they can then build up to a full AEL, if they wish.

CASA plans to introduce the modular licensing system in two stages. The amendments made by the instrument are part of ‘Stage 1’ and will allow persons to obtain a modular licence to carry out certain, specified kinds of maintenance, without having to obtain a ‘full’ AEL. However, under Stage 1 a person will only be able to have an exclusion removed from their modular licence if, in accordance with regulation 66.072 of CASR, CASA has received evidence from an MTO that the person has successfully completed the training and assessment required for the excluded aircraft system or subset under section 66.A.25 of the Part 66 MOS.

Under ‘Stage 2’, CASA intends to expand exclusion removal options to allow exclusions to also be removed if the person has completed CASA’s self-study examinations related to the exclusion to be removed, together with any maintenance experience requirements specified in the Part 66 MOS. This will mean that AEL holders have more options for exclusion removal, including in regional areas, where it can be challenging to access an MTO. Implementation of Stage 2 will require amendments to be made to Part 66 of CASR.

Overview of instrument

In accordance with subsection 33(3) of the *Acts Interpretation Act 1901*, the instrument amends the Part 66 MOS and the Part 147 MOS to allow for CASA to grant modular licences.

The instrument defines **modular licence** to mean a **category B1 modular licence** or a **category B2 modular licence**. In summary, a **category B1 modular licence** is defined to mean a category B1 licence granted under regulation 66.026 of CASR subject to the exclusion of at least 1 aircraft system or subset of an aircraft system, after the commencement of this instrument. **Category B2 modular licence** is defined similarly except in relation to a category B2 licence.

After the amendments are made, CASA will be able to grant the following modular licences to applicants, provided the applicant satisfies the requirements for the grant of the licence. The instrument identifies the category B1 (mechanical) modular licences that CASA may grant as follows:

- B1.1, B1.2 Aeroplane (Airframe)
- B1.3, B1.4 Helicopter (Airframe)
- B1.2, B1.4 Powerplant (Piston)
- B1.1, B1.3 Powerplant (Turbine)
 - with a possible extension (“add-on”) for electrical/instrument systems.

CASA may also grant category B2 (avionics) modular licences with privileges limited to:

- electrical systems
- instrument systems
- radio systems.

To enable these modular licences to be granted, the instrument makes some related amendments to the Part 66 MOS. The key amendments are described below.

First, the instrument inserts a new Part 2A into Appendix I that sets out the knowledge module requirements for categories or subcategories of, or the extension of privileges of, modular licences. Under an amendment made to section 66.A.25 of the Part 66 MOS, a person who applies for an initial modular licence, or for the removal of an exclusion from a modular licence in order to obtain the category or subcategory of licence, or extension of privileges of the licence, must have knowledge of these subject modules to the level set out in Part 3 of Appendix I. These include knowledge of Module 17 (Propeller) for a B1.1 licence under which turbopropeller aeroplanes will be maintained.

Second, the instrument inserts into section 66.A.30 of the Part 66 MOS a new condition on aircraft engineer licences. This condition is issued under regulation 11.068 of CASR. The condition provides that if the licence is a modular licence and the holder applies to CASA for removal of at least 1 of the exclusions on the licence in order to obtain a category or subcategory on the licence, or an extension of licence privileges, the person must have gained the minimum period of relevant practical maintenance experience or, in specified circumstances, completed only the task list (i.e. relevant sections of the Part 66 Basic Practical Experience Logbook) as set out in new Table 3A of section 66.A.30.

Finally, the instrument substitutes Appendix VII with a new Appendix VII that sets out the aircraft systems and subsets that may be excluded from category B1 and category B2 licences (including modular licences). This is required for paragraph 66.026(1)(d) of CASR. The new Appendix VII still identifies the exclusions on type ratings for which an AMO may be authorised to provide training, assessment and authorisations.

CASA has assessed the impact that the amendments made by the instrument will have on aviation safety and is satisfied that they will have no adverse impact on aviation safety as CASA must still be satisfied that persons obtaining modular licences meet the basic requirements sets out in CASR for the granting of an aircraft engineer licence, and the Part 66 MOS basic knowledge and competency requirements, and basic practical experience requirements, for the licence applied for, other than requirements specified for any excluded system or subset.

Documents incorporated by reference

Subsection 98(5D) of the Act provides that, despite section 14 of the LA, a legislative instrument made under the Act or the regulations may apply, adopt or incorporate any matter contained in any instrument or other writing as in force or existing from time to time, even if the other instrument or writing does not yet exist when the legislative instrument is made.

The instrument incorporates into the Part 66 MOS the *CASA Part 66 Basic Practical Experience Logbook*, as it exists from time to time. This document is freely available on the CASA website at www.casa.gov.au. At commencement of this instrument, it was available at: casa.gov.au/sites/default/files/2021-09/part-66-basic-practical-experience-logbook.pdf.

The instrument also incorporates certain information in MTOs' expositions, as the expositions exist from time to time. Under paragraph 66.A.25(ec) of the Part 66 MOS, to be inserted by the instrument, an applicant for a modular licence who has been trained by an MTO must hold each unit of competency relevant to the modular licence, or stated to be its alternative, as approved by CASA in the MTO's exposition, as existing from time to time.

Exposition, for an MTO, is defined in subregulation 147.010 of CASR to mean the document that is approved by CASA under regulation 147.030 in relation to the organisation, including:

- (a) if a change is approved under regulation 147.055 — that change; and
- (b) if the document is updated and the organisation gives CASA a copy of the updated part of the document under subregulation 147.060 — the updated part of the document; and
- (c) if the organisation makes a change to the document in accordance with a direction given by CASA under regulation 47.0655 — that change.

Section 147.A.140 of the Part 147 MOS states that an MTO must provide an exposition for use by the organisation describing the organisation and its procedures, and that contain required information. This information includes, among other things, a list of the maintenance training courses which form the extent of the approval.

By incorporating the information in MTOs' expositions about the units of competency that are provided by the MTO for modular licences, CASA is ensuring that this content must be approved by CASA in accordance with the process for approval of significant changes to MTOs set out in Subpart 147.C of CASR. Under subregulation 147.010(2) of CASR, a **significant change**, in relation to an MTO, includes a change to a course or a course plan provided by the organisation, other than a change resulting from a change to Appendix I, II, III or IV to the Part 66 MOS.

An MTO's exposition is not freely available as it is a proprietary document owned by the MTO. An MTO often develops its exposition at considerable expense and, because it contains information regarding its procedures, including those specifically developed for the organisation, in addition to the content of courses it delivers, an MTO may not wish to make its exposition publicly available for viewing.

In these circumstances, to ensure that the specific information in an MTO's exposition that is being incorporated by reference by this instrument is publicly available, including to applicants for modular licences, CASA will publish in the CASA publication titled *Acceptable Means of Compliance (AMC) and Guidance Material (GM) CASR Part 66*, as existing from time to time (**AMC/GM for CASR Part 66**) a list of the units of competency, and any alternative units of competency, that it has approved in an MTO's exposition, immediately after approval. The instrument includes a note in the Part 66 MOS to this effect. The AMC/GM for CASR Part 66 is freely available on the CASA website at www.casa.gov.au.

CASA intends to include the units of competency that are required to be completed by applicants for modular licences who are trained by MTOs in the Part 66 MOS as soon as possible in 2024 once that table is fully settled in consultation with MTOs.

Content of instrument

Section 1 of the instrument states the name of the instrument.

Section 2 of the instrument states the commencement of the instrument.

Section 3 of the instrument states that each Manual of Standards mentioned in the title of a Schedule to this instrument is amended in accordance with the Schedule.

Schedule 1 of the instrument sets out the amendments made to the Part 66 MOS. All references to provisions being amended are to provisions of the Part 66 MOS.

Item 1 of Schedule 1 inserts the words ‘or **CASR**’ after the words ‘**CASR 1998**’ in paragraph 66.5 (b). This will allow the acronym **CASR** to also be used in the MOS to mean the *Civil Aviation Safety Regulations 1988*. This is similar to how **CAR** may also be used to mean the *Civil Aviation Regulations 1988*.

Item 2 inserts definitions of **category B1 modular licence** and **category B2 modular licence** into paragraph 66.5 (b).

Item 3 inserts a definition of **Logbook** into paragraph 66.5 (b). **Logbook** means the *CASA Part 66 Basic Practical Experience Logbook*, as it exists from time to time.

Item 4 inserts a definition of **modular licence** into paragraph 66.5 (b).

Item 5 inserts a new sub-subparagraph 66.A.20 (a) 4. (iii) that makes clear that it is a privilege of a Category B1 licence endorsed with any subcategory that the person who holds it may perform maintenance certification for that subcategory maintenance if, subject to subparagraph 4A, the maintenance is not of an aircraft system or subset that is excluded from the licence.

Item 6 inserts a new sub-subparagraph 66.A.20 (a) 6. (iii) that makes clear that it is a privilege of a Category B2 licence that the person who holds it may perform maintenance certification for Category B2 maintenance carried out on an aircraft if, subject to subparagraph 6A, the maintenance is not of an aircraft system or subset that is excluded from the licence.

Item 7 amends paragraph 66.A.25 (a) to provide for the basic knowledge and competency requirements that must be met by a person who applies for the removal of at least 1 exclusion from the licence in order to obtain a category or subcategory on the licence, or the extension of licence privileges.

Item 8 amends paragraph 66.A.25 (b) so that it does not apply to modular licences.

Item 9 inserts new paragraph 66.A.25 (ba), which provides for the knowledge module requirements in new Part 2A of Appendix I to apply to applications in relation to a modular licence or for the removal of exclusions in order to obtain a category or subcategory on, or extension of privileges of, a modular licence.

Item 10 inserts a reference to new subparagraph 66.A.25 (ba) 2. into paragraph 66.A.25 (c).

Item 11 inserts a reference to paragraph 66.A.25 (ba) into paragraph 66.A.25 (e).

Item 12 inserts the words ‘Subject to paragraph (ec),’ at the beginning of paragraph 66.A.25 (eb).

Item 13 inserts new paragraph 66.A.25 (ec). This new paragraph provides for MTO category training for modular licences. Applicants for modular licences who were trained by an MTO

must hold each unit of competency relevant to the modular licence, or stated to be its alternative, as approved by CASA in the MTO's exposition, as existing from time to time.

A note is included providing that as a soon as these units of competency, or alternatives, are approved in an MTO's exposition, CASA will publish them in the AMC/GM for CASR Part 66. This arrangement will ensure that applicants trained by MTOs, and other stakeholders, are aware of the units of competency they must hold before they may be granted a particular kind of modular licence. The arrangement is required because MTO's expositions are proprietary documents.

Item 14 is a minor technical amendment to paragraph 66.A.25 (f) required for item 15.

Item 15 inserts a new paragraph 66.A.25 (fa) which is in the same terms as paragraph 66.A.25 (f) but relates to equivalent modular licences with privileges equivalent to those mentioned in paragraph 66.A.25 (f) (privileges including wooden structures or fabric surfaces or propellers).

Item 16 inserts a new subparagraph 66.A.30 (a) 4. which provides the practical experience requirements for an initial modular licence. The new provision requires an applicant for an initial modular licence to have 2 years practical maintenance experience on operating aircraft, and:

- (a) completion of MTO category training relevant to the initial modular licence; or
- (b) completion of the knowledge applicable for the particular licence, in accordance with new Part 2A of Appendix I, via self-study, in which case evidence of the practical maintenance experience must be recorded in the Logbook.

Two notes are included after the new provision. The first note has been included to avoid any doubt that subparagraphs 1. to 3. do not apply to applications for modular licences. The second note provides information as to the locations of the Logbook and user guide for the Logbook are on the CASA website.

Item 17 inserts the words "(other than a modular licence)" after the words "engineer licence" in paragraph 66.A.30 (b).

Item 18 inserts new paragraph 66.A.30 (ba) after Table 3 to that section, and a new Table 3A that sets out the practical maintenance experience required for an applicant to obtain a category or subcategory on a modular licence. It also includes a definition of *task list* for the table.

The new paragraph imposes a condition on a class of authorisation (aircraft engineer licences) under regulation 11.068 of CASR. The condition is that if the licence is a modular licence and the holder applies for removal of at least 1 exclusion of an aircraft system or subset from the licence in order to obtain a category or subcategory on or extension of licence privileges, the person must have, in accordance with Table 3A, either gained the minimum period of practical maintenance experience, applicable for the category or subcategory, or extension, on operating aircraft, or completed the task list. Completion of the task list would only apply if the applicant is completing the knowledge (modules) applicable for the category or subcategory via self-study, and no minimum period of applicable practical maintenance experience is specified.

A note is inserted that makes clear that, as at commencement of the paragraph, CASA must also receive evidence from an MTO that the holder has successfully completed the training and assessment required for the exclusion to be removed, due to section 66.072 of CASR.

Item 19 inserts a reference to paragraph 66.A.30 (ba) into paragraph 66.A.30 (c).

Item 20 substitutes paragraph 66.A.30 (ea) with a new paragraph. In addition to providing the amount of practical maintenance experience that is to be recent experience for the adding of a category or subcategory to an AEL, the new paragraph provides the amount of recent experience required for the gaining of a category or subcategory on a modular licence due to exclusion removal. The amount in both circumstances is to be 3 months.

Item 21 substitutes paragraph 66.A.30 (ec) with a new paragraph. In addition to providing when the practical maintenance experience required of an applicant for an AEL, or the addition of a category or subcategory to an AEL, must have been gained, the new paragraph provides for when the practical maintenance experience required of an applicant for a modular licence, or the gaining of a category or subcategory on a modular licence due to exclusion removal, must have been gained. The experience in both circumstances must have been gained during the 10-year period before the date of the relevant application.

Item 22 inserts a new section 66.A.35 after section 66.A.30. The new subsection specifies the aircraft systems or subsets that may be excluded from the scope of a category B1 or B2 licence (including modular licences). The section does this by reference to the new Table in Appendix VII substituted by Item 25. This Table sets out the aircraft systems or subsets that may be excluded, their related exclusion identifiers and titles, and whether the aircraft system or subset can be excluded from the scope of a category B1 licence or a category B2 licence.

Item 23 amends paragraph 66.A.70 (a) to correct a minor drafting error and make clear the licence referred to there is an aircraft engineer licence issued under Part 66 of CASR.

Item 24 substitutes paragraph 66.A.70 (d) with a new paragraph 66.A.70 (d) that, in summary, provides that the exclusion of an aircraft system or subset mentioned in the Table in Appendix VII is specified as an exclusion on a type rating for which an AMO may be authorised to provide training, assessment and authorisations. The new paragraph corrects a minor drafting error by referring to “Subpart 202.CG” instead of “Subpart 202.GG”.

Item 25 inserts into Appendix I a new Part 2A — Knowledge module requirements for modular licences. New Part 2A includes a table. Applicable subject modules for each modular licence and any extension are indicated by an X in the table.

Item 26 inserts some additional wording and a table into Module 13 at the end of Appendix II, Part 2. The new wording provides the number of questions required for a Module 13 examination, and the time allowed, for applicants for specified Category B2 modular licences.

Item 27 amends the title to Appendix IV to make clear it is about units of competency required for a category or subcategory of licence other than a modular licence.

Item 28 substitutes Appendix VII of the Part 66 MOS with a new Appendix VII. The new Appendix sets out the aircraft systems or subsets that may be excluded from category B1 or

category B2 licences, in addition to aircraft type ratings. New section 66.A.35 (inserted by item 22) and paragraph 66.A.70 (d) (substituted by item 24) adopt Appendix VII and explain how it operates.

Items 29, 30 and 31 amend the titles of some exclusions in Appendix VIII so they are consistent with the titles of the same exclusions mentioned in Appendix VII.

Schedule 2 of the instrument sets out an amendment made to the Part 147 MOS.

Item 1 of Schedule 2 amends section 147.A.205 of the Part 147 MOS to include a reference to paragraph 66.A.25 (ba) of the Part 66 MOS. This enables MTOs approved to conduct category training to carry out category training for modular licences as it allows them to conduct the category assessments specified in Part 66 of CASR in accordance with the standards specified in paragraph 66.A.25 (ba) of the Part 66 MOS.

Legislation Act 2003

Under paragraph 98(5AA)(a) of the Act, an instrument issued under subsection 98(5A) is a legislative instrument for the LA if it is expressed to apply in relation to a class of persons. The Part 66 MOS is a legislative instrument as it applies to a class of persons, being aircraft engineers. The Part 147 MOS is also a legislative instrument as it applies to a class of persons, being MTOs.

Paragraph 10(1)(d) of the LA provides that an instrument will be a legislative instrument if it includes a provision that amends or repeals another legislative instrument. This instrument amends the Part 66 MOS and the Part 147 MOS and is, therefore, also a legislative instrument and subject to tabling and disallowance in the Parliament under sections 38 and 42 of the LA.

Sunsetting

Part 4 of Chapter 3 of the LA (the *sunsetting provisions*) does not apply to the instrument, because the instrument relates to aviation safety and is made under CASR (item 15 of the table in section 12 of the *Legislation (Exemptions and Other Matters) Regulation 2015*).

However, the instrument is an amending instrument and therefore will be automatically repealed under section 48A of the LA, which will happen before the sunsetting provisions would have repealed the instrument if they had applied.

Consultation

The modular licensing structure was developed at the request of representatives of the aviation maintenance industry. In December 2022 CASA published a discussion paper titled *Discussion paper on Part 66 modular licensing framework for aircraft maintenance engineers*. Most respondents clearly supported the intent to provide a more flexible modular licensing framework. The feedback from that consultation was used to develop the framework reflected in the instrument.

CASA also established a Part 66 Technical Working Group (***Part 66 TWG***) the members of which are appointed by the Aviation Safety Advisory Panel. Most members are industry members, and the Part 66 TWG includes representatives from the aviation maintenance sector. Two drafts of the instrument were provided to the Part 66 TWG before public consultation, and its feedback taken into account when preparing the draft for public

consultation. The TWG was also provided with a further draft for consideration following public consultation.

Public consultation was undertaken on the draft instrument from 14 September 2023 to 12 October 2023. As part of this public consultation, CASA also provided a draft compilation of the Part 66 MOS with the draft amendments included, to assist stakeholders in understanding how the proposed amendments would be included in the Part 66 MOS.

CASA received 33 responses as a result of the public consultation. The majority supported the proposal in its entirety. Nine respondents who generally supported the proposal commented that the minimum 2 years' maintenance experience required for initial issue of a modular licence was inadequate. CASA considered that comment but decided not to change this requirement in the instrument because 2 years' minimum experience meets the International Civil Aviation Organisation's standard for these kinds of licences, is consistent with European Union Safety Agency standards, and exceeds the U.S. Federal Aviation Authority's minimum standards.

Sector risk, economic and cost impact

Subsection 9A(1) of the Act states that, in exercising its powers and performing its functions, CASA must regard the safety of air navigation as the most important consideration.

Subsection 9A(3) of the Act states that, subject to subsection (1), in developing and promulgating aviation safety standards under paragraph 9(1)(c), CASA must:

- (a) consider the economic and cost impact on individuals, businesses and the community of the standards; and
- (b) take into account the differing risks associated with different industry sectors.

The cost impact of a standard refers to the direct cost (in the sense of price or expense) which a standard would cause individuals, businesses and the community to incur. The economic impact of a standard refers to the impact a standard would have on the production, distribution and use of wealth across the economy, at the level of the individual, relevant businesses in the aviation sector, and the community more broadly. The economic impact of a standard could also include the general financial impact of that standard on different industry sectors.

The economic and cost impact of the instrument has been determined by:

- (a) the identification of individuals and businesses affected by the instrument; and
- (b) consideration of how the requirements to be imposed on individuals and businesses under the instrument will be different compared to existing requirements; and
- (c) a valuation of the impact, in terms of direct costs on individuals and businesses affected by the instrument to comply with the different requirements. This valuation is consistent with the principles of best practice regulation of the Australian Government; and
- (d) a valuation of the impact the different requirements would have on the production, distribution and use of wealth across the economy, at the level of the individual, relevant businesses in the aviation sector, and the community more broadly; and
- (e) consideration of community impacts, beyond those direct impacts on individuals and businesses affected by the instrument, that are relevant if the instrument were to result in flow-on effects to other aviation businesses, or local non-aviation businesses that experience a change in their activity due to the instrument.

The requirements of the instrument will affect persons who apply for modular AELs or the removal of exclusions from them, and MTOs who train and assess such applicants. The requirements may also have an indirect, positive impact on businesses who employ AELs by providing them with a wider pool of AEL holders to carry out certain kinds of maintenance as it will enable them to employ AMEs that hold modular licences but not ‘full’ AELs.

Applicants who apply for modular licences will make cost savings by only having to pay for the examinations related to the knowledge modules, and the practical experience, required for those modules of the modular licence they are seeking.

CASA has assessed that the economic and cost impact of the instrument is not significant. The Office of Impact Analysis (*OIA*) has made the assessment that its impacts are unlikely to be more than minor (see below). As there is no significant economic or cost impact on individuals or businesses, there will be no cost or economic impacts on the community.

Impact on categories of operations

The instrument is expected to assist to alleviate the shortage of licence aircraft maintenance engineers (*LAMEs*) being experienced by aviation maintenance approval holders and registered operators of aircraft by allowing people with partial training, or who hold expired licences or foreign licences with ‘shortfalls’ that mean they are unable to be granted ‘full’ licences, to obtain modular licences provided they meet the relevant basic knowledge and competency, and practical experience, requirements.

The instrument should have a beneficial effect on all categories of operations by increasing the pool of LAMEs that registered operators of aircraft operating in any category may utilise.

Impact on regional and remote communities

The instrument is likely to have a beneficial effect on regional and remote communities by increasing the pool of licensed aircraft maintenance engineers in those communities that owners and operators of aircraft in those communities may utilise to maintain their aircraft.

Office of Impact Analysis

The OIA has made the assessment that the impacts of the amendments made by the instrument are unlikely to be more than minor and that no further analysis in the form of an Impact Analysis is required (OIA23-05831).

Statement of Compatibility with Human Rights

The Statement of Compatibility with Human Rights at Attachment 1 has been prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Making and commencement

The instrument has been made by the Director of Aviation Safety, on behalf of CASA, in accordance with subsection 73(2) of the Act.

The instrument commences on the day after it is registered and is automatically repealed in accordance with section 58A of the LA.

Statement of Compatibility with Human Rights

*Prepared in accordance with Part 3 of the
Human Rights (Parliamentary Scrutiny) Act 2011*

Part 66 Manual of Standards and Part 147 Manual of Standards Amendment Instrument 2023 (No. 1)

This legislative instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the legislative instrument

The legislative instrument amends the Part 66 Manual of Standards (the *Part 66 MOS*) to provide for a new licensing structure (‘modular licensing’) for aircraft maintenance engineers (*AMEs*). The aim of modular licensing is to address the shortage of licensed *AMEs* currently available to maintain Australian aircraft by making it easier for people to obtain an aircraft engineer licence (*AEL*). Persons who meet specified knowledge and competency requirements, and practical experience requirements, will be able to initially obtain a ‘restricted’ *AEL* that is subject to exclusions of specified aircraft systems or subsets. This will enable *AMEs* to carry out certain kinds of aircraft maintenance sooner than if they had to complete a full category B1 or category B2 licence.

These *AMEs* will be able to gradually increase the scope of their licence by applying for the Civil Aviation Safety Authority (*CASA*) to remove these exclusions after they have successfully completed the necessary training. To do this *CASA* requires evidence from a maintenance training organisation (*MTO*) that they have successfully completed the training and assessment required under section 66.A.25 of the Part 66 *MOS* for the aircraft system or subset that is the subject of the exclusion.

The instrument also makes a related amendment to the Part 147 Manual of Standard (the *Part 147 MOS*) to enable *MTOs* to carry out aircraft category training for modular licences.

Human rights implications

This legislative instrument engages the right to work in Article 6 of the International Covenant on Economic, Social and Cultural Rights. It engages positively with the right to work by making it easier for more licensed *AMEs* to carry out aircraft maintenance. The instrument achieves this by providing a new, more flexible pathway for persons to obtain an aircraft engineer licence.

Conclusion

This legislative instrument is compatible with human rights because it promotes the protection of human rights.

Civil Aviation Safety Authority