

# AMROBA<sup>®</sup>inc

ADVOCATE OF THE AVIATION MRO INDUSTRY

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## Transformation of Australian Aviation Industry

Volume 8, Issue 3

Will aviation be the same starting this July with new legislation commencing that will completely transform this industry.

*Will it be better or worse?*

The increase in the level of regulatory requirements demonstrates that governments, even though there has been umpteen Productivity Commission reports recommending a reduction in regulatory imposts on businesses, especially small businesses, cannot stop their insatiable appetite for increasing amounts of legislation.

Whatever laws are placed upon the community, businesses and their employees try to economically stay in business by streamlining their practices to meet the perceived standards of the regulatory requirements.

The increase in regulatory responsibilities for the industry contained in these new requirements has also seen an increase in the regulatory responsibility of CASA. Of course, the various sectors of the aviation industry are seen to being successful whilst others are struggling.

Minister Albanese media release: *In 2010, international passenger numbers at our airports rose to a record 26.8 million travellers. That's a nearly ten percent rise in a year.* From his point of view, aviation is booming.

In 1992, the major changes to the aviation regulatory system are dwarfed to the changes proposed by this regulatory system.

The new MRO industry is NOT the EASA system.

Like CAR30, the EASA Part 145 places the responsibility on the organisation to employ 'qualified' maintenance staff and to use a LAME to sign a Certificate of Release to Service (CRS). In addition, the LAME (Cat A) can be authorised by the AMO to do line maintenance tasks.

Under Part 42 & 145, the person performing aircraft maintenance must be a qualified LAME—this is more like the FAA A&P system.

Instead of employing AQF2/3/4 AMEs to do aircraft maintenance, we now need to employ LAMES for aircraft maintenance though you can employ qualified AMEs for component maintenance. Industrially, this will mean a complete new approach to wage structures within the industry.

Basically, the AME licence is now more like a trade qualification than an ICAO AME licence.

It will be interesting to see how the system settles down in the future and how much it will benefit communities and the industry. Passenger growth in the Asia Pacific region will lead other regions so there should be benefits for our industry unless we have got the rules wrong.

Under Part 145, it is the company that will issue the ICAO LAME privileges — i.e. sign a maintenance release post maintenance (Annex 6) and to certify aircraft airworthy post modification or repair (Annex 8).

The changes to this industry is far greater than what CASA proposed during its consultation period and will have lasting effects that, at this stage, cannot be seen as benefitting the community or the industry.

For instance, if you are an operator of large aircraft, then why wouldn't you utilise AMOs that also have EASA or FAA approved maintenance facilities in the Asia Pacific Region.

Lower aircraft maintenance resource costs throughout the Asia Pacific Region assists RPT AOCs to make a profit. It is this continual government policy of increasing the competitive environment that Australian RPT operators now find themselves in even though they must comply with higher regulatory imposts.

What has been a major shock for all the sectors outside the RPT sector is the major change to the AME licensing system.

History has been forgotten; understanding of the small businesses that have been struggling to survive in the non airline sector and the lack of consultation demonstrates that this regulatory change of the aviation industry has never been developed based on benefits to the community or the aviation industry.

The problem confronting those that will remain because they have a weakness for aviation, is how does one pay for the enormous cost of change that this transformation will incur?

CASA's cost benefit analysis will fall far short of what it will cost to keep this industry alive.

CAN INDUSTRY ABSORB THESE COSTS?

# The LAME Exclusion System

The LAME Exclusion system is based on a similar system used in European countries and also Asian countries adopting the EASA system.

From what we have seen so far, this will become the most contentious factor in the new system.

Before we try to understand or describe our system, lets look at the CAA(UK) system and how they transitioned their LAEs into the EASA Part 66 system.

The UK system moved from a BCAR system that also included group ratings. The UK had many years of open discussion to sort out the change.

The CAA(UK) took into account the following "protected rights"

- Basic BCAR Licence Category
- Type ratings applied to BCAR Licence
- Authorisations held under A8-3 or A8-13 maintenance organisations
- An approval directly issued by the UKCAA, and
- Aircraft types covered by BCAR group Ratings where the holder could demonstrate evidence of certification.

In other words, no loss of privileges.

Now, lets look at India's DGAC process. They are moving to a Part 66 licensing system. They also had a similar licensing system to ours before the change.

In their conversion document they clearly state that those with 'open' licences will retain their privileges.

They placed a 'limitation' on the converted licence to retain 'licence privileges inherited from the AME licence held prior to CAR 66 licence'.

That is, no loss of privileges.

At this stage, the feedback from members clearly identifies that CASA has not understood the group licensing system nor did/do they understand the CAO100.90 'other' category privileges as they are applied to the 'group' licensing system.

AMROBA cannot understand why CASA does not adopt a system where they add a limitation that retains privileges held under CAR & CAOs.

*Licence means a document that is issued by a government licensing authority in accordance with a national standard, authorising a person to perform one or more classes of work.*

So does the licence "authorise" a person to do work or does it simply state that a person has qualifications to do and sign for work but the Part 145 organisation "authorises" the LAME.

There is not enough space to list all of the issues that members have raised with CASA and AMROBA relating to the new licensing system. The problem is the lack of saving provisions that would protect current privileges.

*AMROBA hopes that CASA will listen carefully to all of the issues that will be tabled at our meeting this Saturday in Brisbane.*

CASA will then have a week to address outstanding issues so that the industry can continue to operate without the loss of current privileges.

CASA promised that the non RPT sector operating under the CARs will still continue to have the same 'privileges' that they currently have. However, this will only happen if the licence they issue to an individual enables the person to exercise the same privileges.

Didn't CASA state 'No loss of privileges'.

## AGM plus CASA Consultative Meeting

The AGM this year will be held in Brisbane on 18 June 2011 at the Grand Chancellor Hotel.

The AGM will be kept short so we can include CASA in this meeting. Prior to the meeting, a copy of the amended Constitution to comply with changes to NSW legislation will be circulated and election of management team iaw the new Constitution will be confirmed.

We have asked CASA to attend to openly discuss the new rules, their application strategy and what assistance they intend to provide to the industry.

We therefore ask that you not only attend but also invite other organisations to attend. Registration can be made by emailing [amroba@amroba.org.au](mailto:amroba@amroba.org.au) of attendees numbers — morning/afternoon tea and lunch will be provided by AMROBA.

We are priming CASA so they not only address the new rules but other issues affecting our members.

Venue contact details:

**HOTEL GRAND CHANCELLOR ·**  
23 Leichardt St. ·  
BRISBANE · QLD · 4000  
T 07 3834 4856 ·  
F 07 3831 5031  
Room Rate Starts at \$140.00/night

We intend to run a similar meeting in Albury, with CASA once again in attendance, on a date to be finalised between August & October.

We have selected Saturdays because we realise that most of you cannot get away during the week. We also realise that many of you need to also work on weekends to keep your business viable.

By end of June, CASA should have developed a lot more information to assist everyone to come to terms with these confusing rules.

Please remember to notify attendance and numbers for catering purposes.

# Clarification Needed?

There are a number of areas of concern that will be debated post 27 June and some of that is terminology that now applies and what it actually means.

1. The definition of maintenance in the CARs will disappear and the definition of 'maintenance' in the Act will now be the overriding factor relating to all maintenance work carried out.
  - The new definition relates to "any task affecting the continuing airworthiness ...etc".
  - "continuing airworthiness" is normally defined as "*the sustaining of aircraft airworthiness standards throughout the life cycle, post type certification.*"
  - A task or an undertaking is defined as "*any piece of work which has been undertaken or attempted by a person.*"
  - So "regulatory maintenance" could exclude some "maintenance tasks" that do not affect the continuing airworthiness of an aircraft.
  - This could allow a RO/Owner to provide some TLC to their aircraft beyond what is in Schedule 8 as it would not be 'maintenance'.
  - How this will be applied by individual CASA inspectors will not be consistent until CASA promulgates its 'interpretation'.
2. Another concern is the power for a LAME to "issue" a certificate for release to service (CRS).
  - A maintenance release is currently "issued" by a maintenance organisation but "signed" by a LAME. This places responsibility on the AMO as well as the LAME.
  - Under the new rules, the maintenance organisation no longer "issues" the CRS, it is the sole responsibility of the Part 66 LAME.
  - This changes the concept that has been in existence under current requirements.

- What is the responsibility of the AMO if one of their LAME's issues a CRS and there is subsequent action by CASA?
  - As long as the AMO provides all the data, then it appears as though it is the individual LAME that will be solely responsible.
  - How will CASA interpret CRS audit findings in the future as it is not the AMO who legally issues the CRS? Will they take action directly against the LAME?
  - The AMO must "authorise" their employee (LAME) to issue the CRS post completion of maintenance but the CRS may be the operator's document.
  - In the past, the AMO was held responsible as rules supported the master/servant relationship. Will it under these new provisions?
3. Application of "academic" qualifications to each and every person involved in maintenance.
    - This has been a 'catch-cry' by LAMEs in the MRO industry for many decades.
    - CASA is not providing an alternative pathway to obtain a licence as does EASA and others.
    - Current industry participants academic qualifications have not been considered when issuing transitional licences.
    - Is CASA approved training producing industry wide academic acceptable qualifications?
    - Is a qualification transportable and usable by employers in various segments of aviation?

There are many issues that will need clarification as CASA cooperates with industry to transform this industry so that it may remain viable.

Without a continual process of clarification then this system will not have the positive effect that a major regulatory change should bring.

## Safety Program—Safety Management Systems

An article published in an issue of *AeroSafety World* raises serious concerns about safety compliance among US aircraft maintenance technicians and their managers. The report is not focused on worker safety or OH&S standards; the report is about compliance with maintenance procedures to ensure aircraft safety.

Among the US findings:

- 16 % of the managers agreed with the statement, "Due to limited time or resources, there have been times when I signed off for work that was not completed".
- More than 80% of the maintenance personnel surveyed said that it is necessary and actually acceptable to sacrifice safety and compliance to complete their jobs on time.

- 53% of AMTs disagreed with the statement, "Before I start a job I am always given the necessary information."

When 53% of technicians and 37% of managers believe that technicians lack critical maintenance information, can there be any question that airlines and MRO shops need to improve their safety management culture? Safety and compliance is about more than management dashboards and tracking systems, it's about improving the underlying processes of maintenance.

Whilst the US report highlights safety management culture, we are concerned that Australia's once proud maintenance safety culture could be eroded if the safety responsibility is only 'management'.

# General Aviation Growth

EASA:- *Up to date comprehensive data describing the General Aviation sector in Europe (including safety statistics) is not available and it seems that such data is not being gathered on a systematic way. This makes any studies on the General Aviation sector very difficult.*

*General Aviation is a very diverse sector. On one side of the spectrum we have operations conducted with complex business jets or in the near future Very Light Jets, and on the other side recreational glider or balloon flying. Between these two extremes, we can find a variety of other activities like aerial works, aerial training, air sports or flight displays.*

*Each of the General Aviation segments has its own specific charac-*

*teristics, but some of the most important concerns, like safe access to infrastructure and airspace or environmental constraints, are common to all General Aviation users.*

*The global general aviation MRO business is expected to grow in different world regions with the highest growth in the Middle East with 12.1% annual growth from 2009 to 2019 followed by Europe (11.4%) and Asia-Pacific (11.3%). In North America, annual GA MRO growth of 7.2% can be expected.*

*The modification specialist MROs are expected to grow at an annual rate of 9.4% from 2009 to 2019 followed by component MRO and airframe MRO at 8.1% and 7.8%, respectively. The last category, engine MRO, is expected to grow at a 7.7% annual rate over the next decade.*

**Australia:** Unlike Europe, there is very good statistical data available from BITRE, CASA, etc.

It has been that data that was used by the combined GA Associations meeting to identify the way forward for GA.

The most crucial aspect is the provision of qualified licensed pilots and aircraft maintenance personnel. Aircraft utilisation is also the biggest drawback to GA at this stage. We need an increase in the utilisation of GA aircraft.

More hours, more maintenance, more survive.

GA is a collection of small businesses usually less than 5 people involved in the aviation functions.

Unless this government completely destroys the country's economy, then the small business enterprises must see some of the growth that is predicted for the Asia Pacific region.

This is a large continent that supports and needs GA. GA assists in keeping aerodromes open; aerodromes that are worth their weight in gold when natural disasters confronts this country.

If the right regulatory model is put in place for GA, similar to the US & NZ, then GA will once again become viable especially with the kinds of new aircraft now becoming available.

Like other countries, the training must convert to full time training and the training establishments need to provide the full competency standards.

The success or future viability will depend on the transfer of experience from today's generation of very qualified LAMEs and pilots to the new participants in aviation.

Attracting new participants will rely on pilot training at the coal face not centralised.



AVIATION  
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## The Aircraft Maintenance Engineers/Technician Creed

### Worth Remembering

*"UPON MY HONOR I swear that I shall hold in sacred trust the rights and privileges conferred upon me as a qualified aircraft maintenance engineer/technician. Knowing full well that the safety and lives of others are dependent upon my skill and judgment, I shall never knowingly subject others to risks which I would not be willing to assume for myself, or for those dear to me.*

*IN DISCHARGING this trust, I pledge myself never to undertake work or approve work which I feel to be beyond the limits of my knowledge nor shall I allow any non qualified superior to persuade me to approve aircraft or equipment as airworthy against my better judgment, nor shall I permit my judgment to be influenced by money or other personal gain, nor shall I pass as airworthy aircraft or equipment about which I am in doubt either as a result of direct inspection or uncertainty regarding the ability of others who have worked on it to accomplish their work satisfactorily.*

*I REALIZE the grave responsibility which is mine as a qualified aircraft maintenance engineer/technician, to exercise my judgment on the airworthiness of aircraft and equipment. I, therefore, pledge unyielding adherence to these precepts for the advancement of aviation and for the dignity of my vocation."*