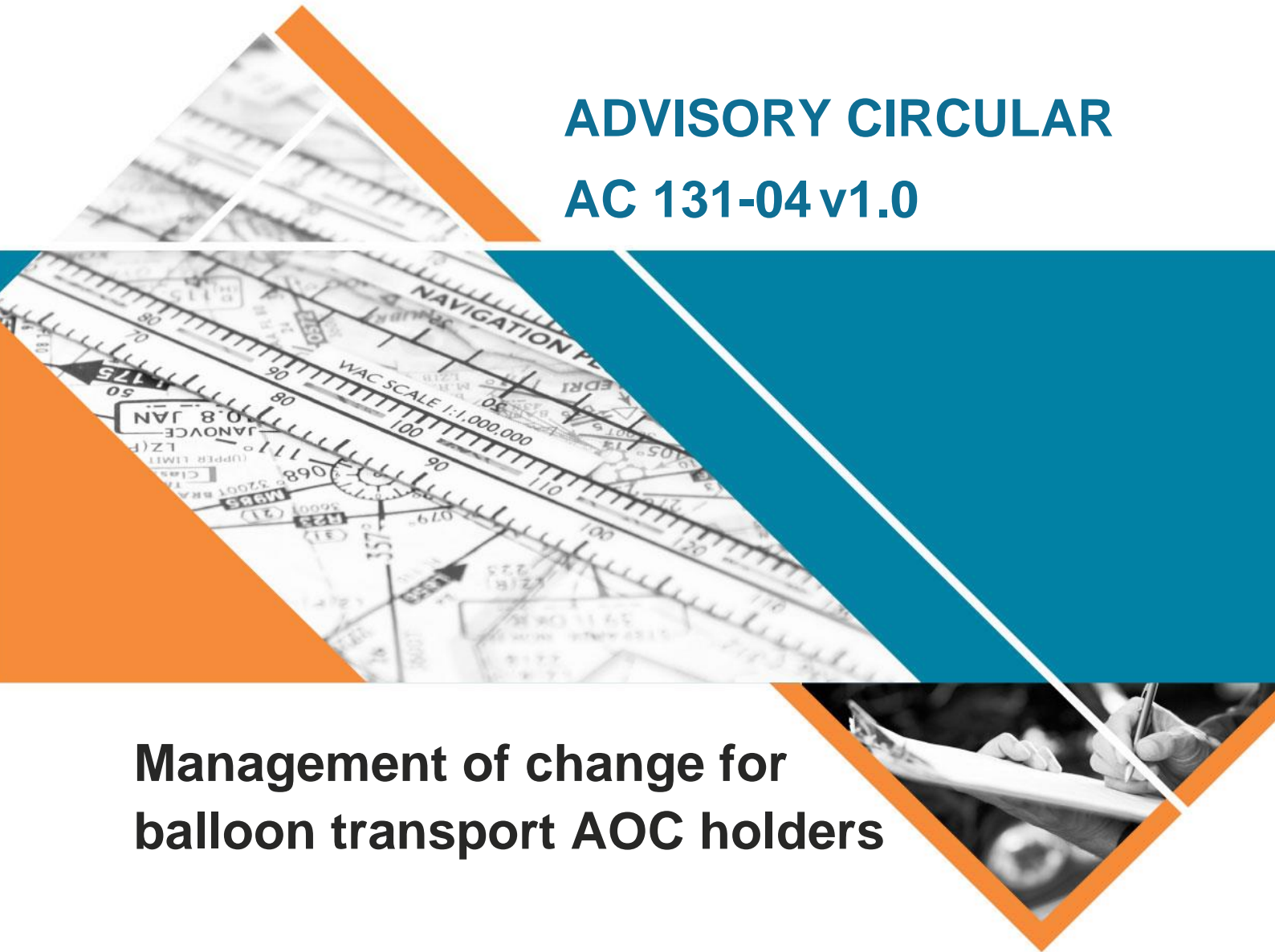




# ADVISORY CIRCULAR

## AC 131-04 v1.0



# Management of change for balloon transport AOC holders

Date	November 2021
Project number	OS 00/08
File ref	D21/230246

**For Flight Operations Regulations  
commencing on 2 December 2021**

Advisory circulars are intended to provide advice and guidance to illustrate a means, but not necessarily the only means, of complying with the Regulations, or to explain certain regulatory requirements by providing informative, interpretative and explanatory material.

**Advisory circulars should always be read in conjunction with the relevant regulations.**

## Audience

This advisory circular (AC) applies to:

- Australian balloon transport operators
- key personnel, executives, and managers of Australian aviation organisations
- persons who have responsibilities to an operator related to management of change or strategic planning
- persons who have responsibilities to an operator related to the maintenance of exposition documentation
- persons who have responsibilities to an operator related to the maintenance of manuals that make up a subset of the exposition
- developers of manuals and expositions
- key personnel involved in decision making processes
- persons involved or engaged in rulemaking.

## Purpose

This AC provides guidance to balloon transport operators and balloon commercial flying training providers who are seeking an improved understanding of the process of management of change. It explains the concept of management of change primarily in the regulatory context but outside the scope of an SMS and provides guidance for the development of management of change processes and procedures. It will assist organisations to appropriately classify changes and subsequently comply with their regulatory obligations.

Unless specified otherwise, all subregulations, regulations, Divisions, Subparts and Parts referenced in this AC are references to the *Civil Aviation Safety Regulations 1998 (CASR)*.

## For further information

For further information, contact CASA's Flight Standards Branch (telephone 131 757).

## Status

This version of the AC is approved by the Branch Manager, Flight Standards.

Version	Date	Details
v1.0		Initial issue of this AC.

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# 1 Reference material

## 1.1 Acronyms

The acronyms and abbreviations used in this AC are listed in the table below.

Acronym	Description
AC	advisory circular
CAR	<i>Civil Aviation Regulations 1988</i>
CASA	Civil Aviation Safety Authority
CASR	<i>Civil Aviation Safety Regulations 1998</i>
CEO	Chief Executive Officer
HOFO	Head of Flying Operations
HOO	Head of Operations
SM	Safety Manager
SMS	safety management system

## 1.2 Definitions

Terms that have specific meaning within this AC are defined in the table below. Where definitions from the Regulations have been reproduced for ease of reference, these are identified by 'grey shading'. Should there be a discrepancy between a definition given in this AC and the Regulations, the definition in the Regulations prevails.

Term	Definition
balloon transport operation	<ul style="list-style-type: none"> <li>a. a passenger transport operation conducted using a Part 131 aircraft that is a registered aircraft or a foreign registered aircraft; and</li> <li>b. conducted for hire or reward; and</li> <li>c. undertaken wholly within Australia; and</li> <li>d. not undertaken as part of a flight into or out of Australian territory.</li> </ul>
change management	see management of change
key personnel	<p>key personnel:</p> <ul style="list-style-type: none"> <li>a. for a balloon transport operator—means the people (however described) that hold, or carry out the responsibilities of, the following positions in the operator's organisation: <ul style="list-style-type: none"> <li>i the positions mentioned in paragraphs (a), (b) of the definition of key personnel in subsection 28(3) of the Act</li> </ul> </li> </ul> <p>Note: Section 28(3) of the Act prescribes the following people (however described):</p> <ul style="list-style-type: none"> <li>a. the chief executive officer</li> <li>b. the head of flying operations part of the organisation</li> </ul>

Term	Definition
	Note: Chief Flying Instructor (CFI) is not a key personnel position. However, should the responsibilities of the CFI be combined with the responsibilities of a Head of Flying Operations (HOFO), the position must be considered a key personnel position (regardless of whether the position title is HOFO or CFI).
management of change	A formal process to manage changes within an organisation in a systematic manner, so that changes which may impact identified hazards and risk mitigation strategies are accounted for before the implementation of such changes. Its objective is to ensure that safety risks resulting from change are managed to an acceptable level. Management of Change is sometimes also referred to as Change Management.
non-significant change	phrase commonly used to describe a change that is not a significant change
significant change	See section 5.2.2

## 1.3 References

### Legislation

Legislation is available on the Federal Register of Legislation website <https://www.legislation.gov.au/>.

Document	Title
the Act	<i>Civil Aviation Act 1988</i>
Part 91	General operating and flight rules
Part 131	Balloons and hot air airships

### Advisory material

CASA's advisory circulars are available at <http://www.casa.gov.au/AC>.

Document	Title
AC 119-01	Safety Management Systems for Air Transport Operators
Booklet 3 of CASA's SMS resource kit	Safety management system kit for Aviation - A practical guide 2nd edition <b>Note:</b> Available from <a href="https://www.casa.gov.au/safety-management/safety-management-systems/safety-management-system-resource-kit">https://www.casa.gov.au/safety-management/safety-management-systems/safety-management-system-resource-kit</a>

**Forms**

CASA's forms are available at <http://www.casa.gov.au/forms>.

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<b>Document</b>	<b>Title</b>
AOC Application form	Application - Air Operator's Certificate (balloon operations) / Associated Approvals

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## 2 Introduction

- 2.1.1 This AC discusses management of change in the regulatory context. It is provided for organisations required to have processes in place to manage changes within the organisation. It includes consideration of significant changes which require CASA approval, and the provision of guidance for the development of management of change processes and procedures. Appendix D provides a template that most operators could use to comply with operator management of change requirements, with minimal customisation.
- 2.1.2 Typical changes that can occur in an aviation organisation are:
- organisational change such as a new company structure or new key personnel
  - operational change such as new aircraft, new operational contracts, introduction of a new major system, or the introduction of a new flying area
  - changes to operational or administrative processes or procedures
  - physical change such as addition of a new base, moving to a new head office
  - editorial changes or amendments to the organisation's documentation.
- 2.1.3 Change has the potential to introduce new hazards or alter existing risks within an organisation and may require the application of new risk controls. The level of change oversight and the specific management of change processes should be proportionate to the potential impact the change may have on the ongoing risks associated with the operation. By taking a systematic approach to implementing change, organisations can clearly identify the objectives and the risks associated with a change and determine how to effectively and efficiently achieve the change with safety in mind.
- 2.1.4 For those readers seeking to understand the theoretical and in-depth aspects of aviation related risk management, including its application inside a SMS, it is recommended that you review other CASA SMS resources including [AC 119-01 'Safety Management Systems for Air Transport Operators'](#) and the [CASA SMS resource kit](#).



### 3 What is management of change?

- 3.1.1 Management of change (see 1.2 Definitions) is a well-established process used by many industries including aviation. It is a method of assurance for the operator and the regulator that any consequences arising from the change are anticipated and adequately managed.
- 3.1.2 A documented change management process provides CASA information it needs to make a decision on significant changes and most regulatory approvals. CASA will spend less time seeking further information and/or conducting onsite surveillance. You will be operational sooner and save on CASA charges. Non-significant changes do not require CASA approval but may be reviewed as part of normal regulatory functions. A comprehensive management of change process also ensures your team is fully informed of changes increasing overall preparedness and safety.
- 3.1.3 Any change within an organisation can create hazards that affect the safety of its operations. Among many other possible reasons, a change might be necessary to meet a business demand so the operation can be more flexible. While it is desirable that changes be implemented effectively and efficiently, safety should be the principal focus. A change introduced to improve safety may introduce safety risks to another part of the organisation. Change invariably creates the potential for unintended consequences, and effective management of change should seek to anticipate possible future consequences and consider their impact. Additionally, any flow-on effects should be looked for after the change has been implemented.

## 4 The management of change process

- 4.1.1 The regulations provide greater flexibility for operators to adapt procedures more specifically to your operations and business needs. If you have a documented management of change process you gain a much clearer picture of the objectives of the change and how to achieve them safely. CASA only needs to assess and approve significant changes. You can make other changes to your operation by updating your exposition, advising the applicable personnel and notifying CASA.
- 4.1.2 A management of change process is a documented process an operator uses to manage changes to its operation in a systematic manner and should be as simple as possible to reflect the degree of complexity of the organisation.
- 4.1.3 An operator is required to use their documented process<sup>1</sup>, and this should assist in minimising the inherent risks arising from change and enhancing effectiveness whilst ensuring safety is maintained, or enhanced, and compliance with the respective CASR is achieved.
- 4.1.4 The content in section 4.2 *Elements of a management of change process* of this AC is advice, it does not mandate that an organisation is compelled to use any of the listed elements in their change process. A process template is provided in Appendix D for those organisations seeking additional guidance on the construction of a management of change process.

### 4.2 Elements of a management of change process

- 4.2.1 The initiation of a change process can be for many reasons, ranging from complex business and operational needs to the simplest form, where an individual recognises that an editorial issue exists in a document.
- 4.2.2 The regulations do not mandate any specific elements for an organisation's change process; however, a change process will typically consist of the following elements:
- A need is identified to change (a trigger event or circumstance - for example adding a new class of balloon to the fleet).
  - A proposal to change is submitted by a change proposer (the person who submits the request to make a change).
  - Evaluation of the change which includes a risk assessment to consider hazards, consequences and likelihood of issues arising from conducting the proposed change and any controls or mitigating measures.
  - A person (change approver) within the operator organisation who assesses the acceptability of the identified risks, the proposed changes to operator procedures and authorises the implementation of the change.
  - A register of items (change register) that have been listed for change and includes a status such as draft, submitted for approval, completed etc.
  - The underlying method(s) (change processes) of completing the organisation's change actions.

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<sup>1</sup> regulation 131.110.

- 4.2.3 Where an operator is required to have a SMS<sup>2</sup> then risk assessments will be an activity integrated and managed by the SMS. For other operators a risk assessment can be conducted without the presence of an SMS. Additional guidance on the conduct of risk assessments can be found in [Booklet 3 of CASA's SMS resource kit 2nd Edition](#).
- 4.2.4 The elements of a typical change process are not described as an 'acceptable means of compliance' because these elements only represent a framework on which an organisation might build its more detailed processes.

#### 4.2.5 Change proposal and change approver

- 4.2.5.1 For smaller aviation operators, a change process may be managed by one or two individuals in the organisation. Often the CEO or Head of flying operations (HOFO) is a *change proposer* as well as a *change approver*.

#### 4.2.6 Risk assessment

- 4.2.6.1 The definition of significant change requires operators to evaluate the changes they make in the context of the effect the change could have on aviation safety<sup>3</sup>. Accordingly, any proposed change needs to undergo an evaluation of the hazards that implementation of the change might introduce into the operation. For the simplest changes, this can easily be done by the change approver. For larger or more complex changes, the conduct of a risk assessment is likely to be necessary to understand and consider the risks involved.

#### 4.2.7 Change register

- 4.2.7.1 A change register is a simple and effective way of recording the changes the organisation makes and is a useful adjunct to managing change. The method chosen by the organisation and the contents of such a document are not legislated, and it should be designed to suit the needs of the organisation. A simple spreadsheet may be appropriate. The following is a list of items in a typical change register:
- date entering the proposed change into the register
  - title or summary of the proposed change
  - name of the proposer
  - name of the approver
  - date of approval
  - exposition reference/amendment/revision number where the change was implemented
  - other organisational references such as the file location, risk register number etc.

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<sup>2</sup> At the time of publication, only Part 119, 138 or 142 operators are required to have an SMS.

<sup>3</sup> Paragraphs 131.030(b).

## 4.2.8 Change process

- 4.2.8.1 Change processes are the detailed description, in the exposition, of how a change process is managed by the organisation. If applicable, the processes will describe the forms required to be used and provide a flowchart or description of the process to be followed when considering, reviewing and implementing a change. The flowchart at Figure 1 provides a pictorial view of a typical Management of Change process.

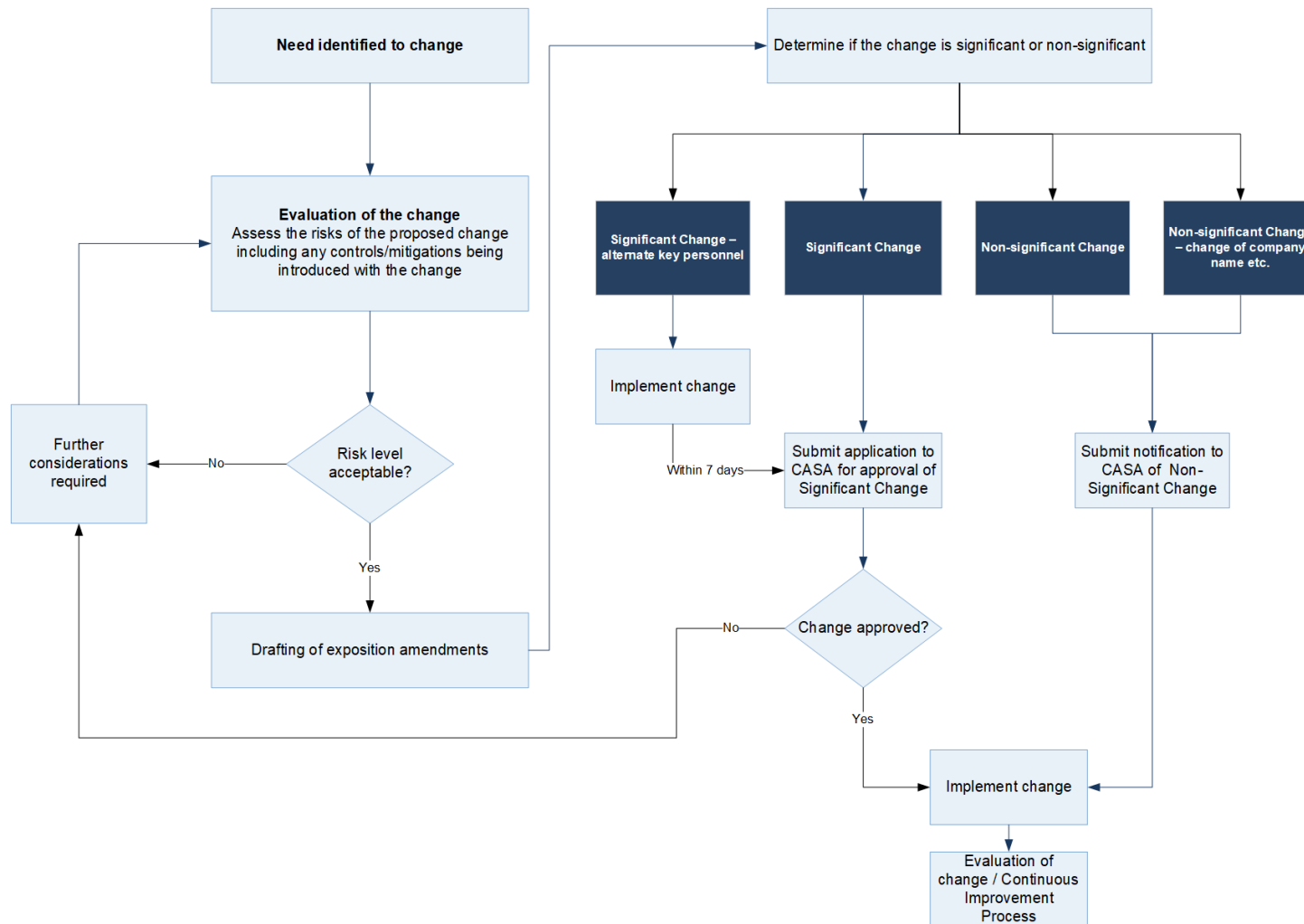


Figure 1: Typical management of change process

## 4.3 Two simple scenarios of a change process

### 4.3.1 Scenario A - Application of a change with minimal risk assessment

- 4.3.1.1 An editorial error is detected in the exposition whereby the incorrect phone number has been recorded for the out-of-hours contact point for the person responsible for the rostering of flight crew. This is the trigger event for the change.
- 4.3.1.2 The individual (proposer) suggesting the change (such as replacement text) follows the operator's process and submits the change to the Head of Flying Operations (HOFO). The proposer recommends that the change is suitable for using the organisation's simple change process and suggests that a risk assessment is not required.
- 4.3.1.3 The HOFO makes an entry into the change register, noting both the section of the document that requires amendment and where in the operator files the item is stored. The HOFO considers the proposed change against the requirements of the operator's process. The HOFO notes that this is an editorial change and records that the change may proceed without a documented risk assessment process. The change is also not a significant change<sup>4</sup> within the meaning of the regulations (many organisations refer to this as a 'non-significant change'). The change proceeds in accordance with the exposition process, which includes filing the required CASA notification for changes that are not significant changes and distributing the revised documents in accordance with the process in the exposition for non-significant changes.

**Note:** The time period applicable to the distribution of non-significant changes will be described in the organisation's exposition.

### 4.3.2 Scenario B - Incorrect application of change with minimal risk assessment

- 4.3.2.1 This example is intended to illustrate a previous change that was not correctly implemented. The specific trigger event that causes the sample operator to identify that a previous change was not properly implemented although it appeared to be a simple change at first. For the purposes of this example, this trigger event is that an editorial change is needed in the exposition where an out-of-date phone number has been detected for the out-of-hours contact point for a person responsible for flight crew rostering.
- 4.3.2.2 The individual (proposer) suggesting the change (such as replacement text) follows the operator's process and submits the change to the Head of Flying Operations (HOFO). The proposer recommends that the change is suitable for use of the organisation's simple change process and suggests that a risk assessment is not required.
- 4.3.2.3 The HOFO makes an entry into the change register, noting both the section of the document that requires amendment and where in the operator's files the item is stored. The HOFO considers the proposed change against the requirements of the operator's process. The HOFO notes this change is required because of a change of the individual who performs the duties of the operator's rostering co-ordinator. The HOFO considers that there may be a number of other issues that have not been considered with

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<sup>4</sup> Refer to section 5.2 for information about significant changes.

introducing the new individual. The HOFO reviews the item and requests confirmation that the induction training and assessment process has been completed for the new individual. It is subsequently determined that the induction process was not completed. The HOFO directs that the induction processes be completed prior to any consideration of the risks of the proposed change. The HOFO suspends further processing of the change proposal until these activities have been completed.

## 5 Regulatory requirements - management of change process

### 5.1 The requirement for a management of change process

- 5.1.1 Regulation 131.110 requires operator to make changes in accordance with its documented process for making changes.
- 5.1.2 A key regulatory aspect is whether or not a change is defined as a significant change as defined in regulation 131.030 This evaluation determines whether CASA approval is required prior to implementing the change.
- 5.1.3 The regulations require an operator to have a description of the process for making changes including<sup>5</sup>:
- identifying changes that are significant changes
  - identifying changes that are not significant changes
  - how the operator informs both CASA and their personnel of the changes.
- 5.1.4 In approving the operator's exposition or manual, CASA is also reviewing and approving the management of change process outlined in the operator's documents. The operator must manage and make changes in accordance with their approved management of change process.
- 5.1.5 A management of change process should provide a structured framework for managing the aspects of change. Adherence to an appropriate process minimises the inherent risks of change and should provide a means for compliance with the various CASR regulations that require a structured approach to management of change.

### 5.2 Significant and non-significant changes

- 5.2.1 Significant changes are changes that have the potential to affect the operation in a significant way and are associated with proportionately higher risk factors, which is why pre-approval from the regulator is required. The lists of significant changes in the regulations include specific changes (such as changing the management of change process) and any other change that, as assessed by the operator, does not, or is unlikely to, maintain or improve aviation safety. For example, an operator may have been following a procedure that far exceeds the regulatory requirement and now wishes to reduce that requirement to the regulated level. That would be a significant change and require CASA approval.
- 5.2.2 Regulation 131.030 defines a significant change for balloon transport operations as follows:
- a. a change in relation to any of the following:
    - i. the location and operation of the operator's main operating bases, including the opening or closing of main operating bases

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<sup>5</sup> paragraph 131.195(1)(m).



- ii. the operator's key personnel
- iii. a person authorised to carry out the responsibilities of any of the key personnel if the position holder is absent from the position or cannot carry out the responsibilities of the position
- iv. the formal reporting lines for a managerial or operational position with safety functions and responsibilities that reports directly to any of the key personnel
- v. the operator's process for making changes that relate to the safe conduct and management of the operator's balloon transport operations
- vi. the kinds of balloon transport operations the operator is authorised to conduct under the operator's balloon transport AOC
- vii. the operator's areas of operation, including beginning to operate in a new area
- viii. the classes of Part 131 aircraft used in the operator's balloon transport operations, including the addition of a new class

or

- b. a change in relation to any of the following that does not maintain or improve, or is not likely to maintain or improve, aviation safety:
  - i. the plans, processes, procedures, programs and systems for the safe conduct and management of the operator's balloon transport operations
  - ii. the qualifications, experience and responsibilities required by the operator for any of the operator's key personnel
  - iii. any other aeronautical or aviation safety related services provided to the operator by third parties
  - iv. any change to the registration of a Part 131 aircraft used in the operator's balloon transport operations
  - v. any leasing or other arrangements for the supply of a Part 131 aircraft used in the operator's balloon transport operations

or

- c. a change required to be approved by CASA under these Regulations, other than a change that results in the reissue or replacement of an instrument previously issued by CASA in which the conditions or other substantive content of the instrument are unchanged.

5.2.3 Although the regulations do not use the term, changes that are not significant changes are often referred to as 'non-significant changes'.

**Note:** Further explanatory material on regulation 131.030 is available in this document in Appendix C - Part 131 change considerations.

5.2.4 Except for certain defined cases within the regulations, significant changes require formal CASA approval prior to their implementation<sup>6</sup>.

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<sup>6</sup> regulation 131.100.

- 5.2.5 Operators planning to implement a significant change are required to provide the relevant amended section of their exposition to CASA as part of the application for significant change<sup>7</sup>.
- 5.2.6 Operators can make changes that are not significant without requiring approval from CASA. However, the change must be made in accordance with its change process. Also, the operator must have a means to ensure that both CASA and the operator's personnel are notified of all changes<sup>8</sup>. The method by which this is accomplished must be described in the operator's exposition<sup>9</sup>.
- 5.2.7 A change to the operator's name (including any operating or trading name), contact details and operational headquarters address (if different to the mailing address) must be notified to CASA prior to the change occurring<sup>10</sup>. Normally, this would be a non-significant change; however, the circumstances of the change need to be considered against the criteria. If this is not deemed a significant change, it is important to note that this change is required to be notified to CASA prior to the change occurring.<sup>11</sup>
- 5.2.8 In constructing an organisational change process, it is an acceptable means of compliance for the operator to define the applicable time periods for processing and distribution of non-significant changes.
- 5.2.9 In respect of the notifications method of a non-significant change, an acceptable means of compliance would be for the operator's change process to provide CASA and the operator's personnel with the amended exposition with markings to highlight the changes. If the document suite is divided into volumes or separate documents, this may be achieved by distribution of the separate volume or part containing the amended element.
- 5.2.10 An operator's management of change process should include a reliable means for ensuring all proposed changes are identified, assessed, captured by the system, and classified as significant or non-significant.
- 5.2.11 Appendix A and Appendix B of this AC provide two case study examples of points to be considered when identifying proposed changes.

### 5.3 Understanding the definition of significant change

- 5.3.1 Operators should always consult the definition in the CASR Part applicable to their operations.
- 5.3.2 Using Part 131 as an example, further information on the definition of significant change is provided below.
- 5.3.3 The definition in regulation 131.030 consists of three sections. Paragraph 131.030(a) provides a prescribed list of items that are always considered to be a significant change.

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<sup>7</sup> subregulation 131.100(3).

<sup>8</sup> subparagraph 131.195 (1)(m)(iii).

<sup>9</sup> subparagraph 131.195(1)(m)(iii),

<sup>10</sup> regulation 131.095.

<sup>11</sup> regulation 131.095.

For example, a change of the operator's key personnel will always be a significant change because it is described in the list of items in paragraph 131.030(a).

- 5.3.4 Paragraph 131.030(b) requires the organisation to consider the safety impact of the proposed change. In reviewing the proposed change, if the operator determines that the change does not maintain, improve or is not likely to maintain or improve aviation safety, the change is required to be considered a significant change.
- 5.3.5 Operators may elect to apply for an approval under certain regulations (for example, an approval to fly at night under regulation 131.315). The effect of paragraph 131.030(c) is that an initial application for an approval is taken to be a significant change. However, where an approval held by an operator is expiring and an operator applies for its re-issue, paragraph 131.030(c) also specifies that when such a reissue or replacement is made, and the content of the conditions and substantive content of the instruments remains unchanged, the renewal is not considered a significant change.
- 5.3.6 If the proposed change does not meet any of the elements described above, it would not be considered a significant change.

## 5.4 Determining the effect on aviation safety

- 5.4.1 Paragraph 131.030(b) requires the organisation to consider the safety impact of the proposed change. When reviewing the proposed change, if the operator determines that the change does not maintain or improve aviation safety, or is not likely to maintain or improve aviation safety, the change is required to be considered a significant change. Equally, if the change results in a circumstance that provides a higher safety standard, the change is not considered a significant change.
- 5.4.2 When considering the conduct of any change to be made under paragraph 131.030(b), operators are recommended to document their analysis and considerations. This is because a lack of documented reasons would leave them unable to prove they had followed the documented change processes in their exposition.
- 5.4.3 Operators should retain this documented material so that it could be provided to CASA as evidence of how they came to the conclusion that a particular change was not a significant change.
- 5.4.4 Operators could use risk assessments based on certain assumptions for frequent kinds of amendments if they so choose. However, they would still need to be able to prove that the assumptions in the standing risk assessment applied to a particular change and, therefore, that change could fall under the standing risk assessment.

## 5.5 Operator process for making changes

- 5.5.1 The exposition must<sup>12</sup> describe the operator's process for making changes. This process may be customised or tailored to meet the specific types of operations conducted. An operator may wish to construct more than one process to meet specific needs of the business. For example, a simplified process may be constructed for

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<sup>12</sup> paragraph 131.195(1)(m).

editorial changes that do not require a formal risk assessment. In constructing a change process, it is recommended that the operator consider the following:

- how changes are initiated and assessed
- how unexpected changes are managed
- the process for developing a case for the change, including:
  - o the safety impact of a change
  - o whether that change will reduce or improve safety
  - o how that assessment was made
  - o the data or information was used in that assessment
  - o how it was documented.
- risk assessment and planning processes, including:
  - o implementing change in an incremental manner to minimise potential adverse effects (if necessary)
  - o ensuring use of resources will not impact on operational safety
  - o ensuring communication and consultation takes place with all key stakeholders.
- preparation of a plan
- application for approval of the significant change or notification to CASA of a change that is not a significant change to the exposition
- implementation of the change
- ongoing monitoring and review of the change.

## **Appendix A**

### **Case Study 1 - Introduction of new class of balloon**

- A.1.1 Sample Ballooning conducts Part 131 operations with Class 1 balloons. They currently employ six staff; three pilots, one of which is simultaneously the CEO and HOFO, two ground support staff and an office coordinator.
- A.1.2 The organisation is to expand and diversify its fleet by adding a new class of balloon. Table 1 shows how formal management of processes result in less CASA involvement in significant changes and ensures the business is fully informed of changes.

**Table 1: Management of change plan - introduction of new class of balloon**

Without management of change process	With management of change process	
	Steps	Actions
A business decision has been made to introduce a new class of balloon to the organisations fleet.	1. A need identified to change	A business decision has been made to introduce a new class of balloon to the organisations fleet.
The CEO looks at procedures in the exposition that apply to current operations and is optimistic of being able to replicate them to apply to the new class of balloon.	2. Evaluation of the change	For a major organisation change like this, the CEO engages with all staff and conducts an initial evaluation and decides a risk assessment is sensible. A risk assessment is conducted which provides controls and mitigating measures.
	3. Assessment of the acceptability of the identified risks	The CEO reviews the risk assessment and accepts the risks.
The CEO drafts a change in operating procedures. The amendments are submitted to CASA.  CEO advises staff – will be able to start operations in the new class of balloon once CASA approves the exposition amendment.	4. Amendments to procedures	The CEO drafts amendments to the exposition and in an iterative process, refines the processes with staff.  Consideration is given to controls and mitigating measures discussed during evaluation of the change.
CASA rejects the change in procedures as it is not clear how they comply with the flight manual (which differs from the existing operator's balloons).  CASA also asks what training is being done for pilots and ground support staff.  The CEO sends CASA revised procedures and proposed training. CASA notes there are some key items missing in the training and asks the CEO to review.	5. Implementation  a. Determine if the change is significant or non-significant.  b. Decide on the method of implementing the change.	The CEO considers the change proposal against the regulatory requirements of significant change.  The introduction of a new class of balloon is stated by the CASR, and therefore the management of change processes, as a significant change.  The CEO reviews all information and submits a request for approval of a significant change to CASA. The request includes the plan to implement the change, risk assessment, timeline, pilot and ground support staff training plan, emergency procedures, draft checklist

MANAGEMENT OF CHANGE FOR BALLOON TRANSPORT AOC HOLDERS

Without management of change process	With management of change process	
<p>The CASA inspector advises the CEO that they will conduct onsite surveillance to ensure all areas of risk are being managed appropriately which is scheduled in 4 weeks.</p> <p>Four weeks later CASA observes the use of the assembly points and the new procedures.</p> <p>CASA approves the changes.</p>		<p>revisions and CASA form.</p> <p>CASA reviews the information and contacts the CEO to clarify parts of the training syllabus. After this discussion CASA is satisfied safety is being managed appropriately.</p> <p>CASA issues an approval for the significant change</p>
	<p>6. Evaluation of the change / continuous improvement process</p>	<p>CEO reviews the procedures during line operations.</p>

## **Appendix B**

### **Case Study 2 - Introduction of passenger assembly point and briefing**



- B.1.1 Sample Ballooning conducts Part 131 operations with Class 1 balloons. They currently employ six staff; three pilots, one of which is simultaneously the CEO and HOFO, two ground support staff and an office coordinator.
- B.1.2 Briefing of passengers currently consists only of the briefing required to be provided once passengers are in the basket of the balloon. Informal, ad-hoc briefing is provided to passengers arriving to the launch area depending on time available to ground support staff.
- B.1.3 Table 2 shows how formal management of processes result in less CASA involvement in non-significant changes and ensures the business is fully informed of changes.

**Table 2: Management of change plan - passenger assembly point and safety briefing**

With management of change process	
Steps	Actions
1. A need identified to change	<p>Pilot increasingly sees passengers arriving to launch site and subsequently moving around seemingly oblivious to marking of different areas.</p> <p>At the next regular meeting, staff discuss options and the team recommends that setting up passenger assembly points for a flight and providing formal safety briefings will increase safety. Discussions highlight locations for assembly points and suggestions for briefing content.</p>
2. Evaluation of the change	The CEO engages with ground support staff, conducts an initial evaluation, and decides a risk assessment is sensible. A risk assessment is conducted which provides controls and mitigating measures.
3. Assessment of the acceptability of the identified risks	The CEO reviews the risk assessment and accepts the risks.
4. Amendments to procedures	<p>The CEO drafts amendments to the exposition which includes the layout of the area around balloons during inflation along with the wording and timing of briefings.</p> <p>Consideration is given to controls and mitigating measures discussed during evaluation of the change.</p>
5. Implementation a. Determine if the change is significant or non-significant. b. Decide on the method of implementing the change.	<p>The CEO considers the change proposal against the regulatory requirements of significant change.</p> <p>The increase in passenger control and education on risks associated with balloon inflation and launch is considered to maintain, or improve, aviation safety. Therefore, the change is assessed as not being a significant change.</p> <p>The exposition amendment is issued to staff and the CEO submits a notification of a non-significant change to CASA.</p> <p>CASA replies with acknowledgement of a non-significant change.</p>

With management of change process	
6. Evaluation of the change / continuous improvement process	CEO reviews the procedures during line operations.

## **Appendix C**

### **Part 131 change considerations**

## C.1 Part 131 Significant change considerations

C.1.1 In addition to what was established in Section 5.2.2' the following is provided to assist in clarifying the Part 131 significant change definition.

## C.2 Main operating base

C.2.1 Subparagraph 131.030(a)(i) refers to a main operating base. Examples of what may be considered a main operating base are:

- a place where fulltime or regular operational staff or contractors of the operator report for duty
- a place where the operator's key personnel or regular crew members are ordinarily resident in the vicinity.

C.2.2 Main operating base does not include places where:

- an operator does not have operational staff even if staff regularly overnight in hotel or similar accommodation at the location
- an operator has part-time staff to purely assist with aircraft handling or transit
- organisations or personnel are contracted onsite to assist on an ad hoc basis such as with unscheduled maintenance or breakdown of aircraft or equipment.

## C.3 Operator's key personnel

C.3.1 Subparagraph 131.030(a)(ii) refers to key personnel. The key personnel for a Part 131 organisation are the following:

- Chief Executive Officer (CEO)
- Head of Flying Operations (HOFO).

C.3.2 Chief Flying Instructor (CFI) is not a key personnel position. However, should the responsibilities of the CFI be combined with the responsibilities of a HOFO, the position must be considered a key personnel position (regardless of whether the position title is HOFO or CFI).

C.3.3 The names of the key personnel are required to be listed in the operator's exposition<sup>13</sup>.

C.3.4 Key personnel do not just 'have responsibilities' - they must actively carry out their responsibilities. While individual duties within the responsibilities can be assigned to other persons, the responsibilities can only be assigned to another person, or combination of persons, when the key personnel position holder is absent or cannot carry out the responsibilities of the position. In this context:

- 'absent' generally refers to not being present such as being on leave or out of the office temporarily
- 'cannot carry out the responsibilities of the position' generally refers to a change in the individual's circumstances leading to their inability to manage the duties and responsibilities

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<sup>13</sup> Subparagraph 131.195(e)(iii).

- absence and ability to carry out responsibilities are not mutually exclusive - a person can be absent and able to carry out their responsibilities. The following are examples:
    - o working from home and carrying out responsibilities according to procedures
    - o being at the office and undertaking training that prevents the person from carrying out responsibilities.
- C.3.5 Operators are permitted to name a person who is authorised to carry out the responsibilities of a key person if the position holder is absent from the position or cannot carry out the responsibilities. There are many different industry names for such a person, this AC will refer to them as an 'acting key person'.
- C.3.6 For an acting key person to be considered as authorised, their name must be listed in the exposition<sup>14</sup>.
- C.3.7 The addition or change for the exposition listing of any names for the key person or the acting key person is considered a significant change<sup>15</sup>.
- C.3.8 Obtaining authorisation for an acting key person can be beneficial in a number of circumstances as it can minimise disruption for an operator.
- C.3.9 The regulations permit an operator to change the nominated individual in a key personnel position without first receiving approval of the significant change<sup>16</sup> if the new nominee is already be listed in the exposition<sup>17</sup> as an acting key person. The operator is required to apply within 7 days to CASA for approval of the significant change where the acting individual is permanently moved into the key person position.
- C.3.10 If an operator does not have an approved acting key person when the key person becomes absent or cannot carry out the responsibilities of the position, it is likely that they will need to cease operations as it would be considered that they are not compliant with paragraph 131.090(c), which requires each key personnel position to be filled.

### Key Person change example

- C.3.11 Sample Ballooning decides to replace its existing HOFO (Sally) with a new HOFO (Bill). As part of the change, Sally returns to normal line flying with occasional office duties because of her previous experience. Sample Ballooning adds Bill's name to the exposition and removes Sally from the list of key personnel in the exposition. Additionally, Sample Ballooning decides that they do not wish to list Sally in the revised exposition as an acting key person<sup>18</sup>.
- C.3.12 After a short time in the HOFO position, Bill suddenly decides to leave the organisation with immediate effect. The Sample Ballooning CEO decides to put Sally back into the position as HOFO (i.e., the permanent position).

**Note:** Sally is not currently listed in the exposition, neither as a primary or acting HOFO, and the organisation does not have any individual listed as an acting HOFO.

<sup>14</sup> subparagraph 131.195 (1)(e)(iv)

<sup>15</sup> subparagraph 131.030(a)(ii) and (iii)

<sup>16</sup> subregulation 131.100 (2)

<sup>17</sup> subparagraph 131.195 (1)(e)(iv)

<sup>18</sup> subparagraph 131.030 (a)(iii)

- C.3.13 In this case, the change is considered a significant change as the named individual who is appointed to the HOFO position is being changed<sup>19</sup>. Additionally, the organisation now must cease operations until the application for significant change applicable to the re-appointment of Sally is approved as the organisation does not meet the conditions of the AOC, which requires each of the positions of the operator's key personnel to be filled<sup>20</sup>.
- C.3.14 If the organisation had elected, in the previous application, for 'approval of significant change' to have Sally listed as an acting HOFO<sup>21</sup>, operations would have been able to continue as Sample Ballooning would fit the circumstances of subregulation 131.100(2).

## C.4 Formal reporting lines

- C.4.1 Subparagraph 131.030(a)(iv) refers the formal reporting lines or managerial or operational staff with safety functions and responsibilities, that reports directly to any of the key personnel. In this context, significant change is limited to those functions and responsibilities as described in the regulations. If an operator were to assign non-regulatory duties to a key person, and this subsequently led to the key person having insufficient ability and time to complete their regulatory duties, this might be considered a significant change in accordance with the requirements of paragraph 131.030(b).

## C.5 Operator's change process

- C.5.1 Subparagraph 131.030(a)(v) refers to the operator's change process. The operator's change process is required to be listed in the exposition<sup>22</sup>. The use of the change process and, particularly, the requirements of significant change are a key foundation element in the outcome-based regulatory environment. Any modification to the operator's change process is considered a significant change.

## C.6 Kinds of operation

- C.6.1 Subparagraph 131.030(a)(vi) refers to the kinds of balloon transport operations. The only kind of balloon transport operation currently is scenic flight passenger transport.

## C.7 Areas of operation

- C.7.1 Subparagraph 131.030(a)(vii) refers to designation of areas of operation. Operators may describe their operation by a geographic area of operations in the exposition.
- C.7.2 The commencement of operations in a completely new area is considered a significant change.
- C.7.3 In considering how to describe an area, attention is drawn to paragraph 131.195(1)(h). To enable the description of a geographic area, an acceptable means of compliance

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<sup>19</sup> subparagraphs 131.03 and 131.195 (1)(e)(iii).

<sup>20</sup> paragraph 131.090 (1)(c).

<sup>21</sup> subparagraphs 131.030 (a)(iii) and 131.195 (1)(e)(iv).

<sup>22</sup> subparagraph 131.195 (1)(m).

would be for the operator to publish in their exposition the plans, processes and procedures that would be used to commence operations to a new destination that is located within the existing geographic area as described in the exposition. This will enable the operator to demonstrate that they can safely comply with the regulatory requirements for any location in which they wish to operate.

## **C.8 Balloon classes**

- C.8.1 Subparagraph 131.030(a)(viii) refers to the three classes of Part 131 aircraft as defined by regulation 5.01 of the CAR. In practice only Classes 1 and 2 hot air balloons operate in Australia.

## Appendix D

### Management of change for balloon transport AOC holders - Process template

**Note:** This Appendix D is provided as a separate MS word file. Refer to the ACs landing page on the CASA [website](#).