

# **Air Operator's Certificate Handbook Volume 1 - General Matters**

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This is an internal CASA policy manual. It contains guidance material intended to assist CASA officers and delegates in carrying out their regulatory responsibilities and is available to the public for information purposes only.

You should not rely on this manual as a legal reference. Refer to the civil aviation legislation—including the Civil Aviation Act 1988 (Cth), its related regulations and any other legislative instruments—to ascertain the requirements of, and the obligations imposed by or under, the law.

## Preface

As a Commonwealth government authority, CASA must ensure that the decisions we make, and the processes by which we make them, are effective, efficient, fair, timely, transparent, properly documented and otherwise comply with the requirements of the law. At the same time, we are committed to ensuring that all of our actions are consistent with the principles reflected in our Regulatory Philosophy.

Most of the regulatory decisions CASA makes are such that conformity with authoritative policy and established procedures will lead to the achievement of these outcomes. Frequently, however, CASA decision-makers will encounter situations in which the strict application of policy may not be appropriate. In such cases, striking a proper balance between the need for consistency and a corresponding need for flexibility, the responsible exercise of discretion is required.

In conjunction with a clear understanding of the considerations mentioned above, and a thorough knowledge of the relevant provisions of the civil aviation legislation, adherence to the procedures described in this manual will help to guide and inform the decisions you make, with a view to better ensuring the achievement of optimal outcomes in the interest of safety and fairness alike.

Shane Carmody  
Chief Executive Officer and  
Director of Aviation Safety

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## Glossary

### Acronyms and abbreviations

Acronym / abbreviation	Description
AAC	Airworthiness Advisory Circular
AC	Advisory Circular
ACAS	Airborne Collision Avoidance System
ACN	Australian Company Number
Act	<i>Civil Aviation Act 1988</i> as amended
AD	Airworthiness Directive (issued under CASR)
AFM	Aircraft Flight Manual
AOC	Air Operator's Certificate
APU	Auxiliary Power Unit
ARN	Aviation Reference Number (a CASA derived number)
AROCP	Aircraft Radar Operational Certificate of Proficiency
ASETPA	Approved Single Engine Turbine Powered Aeroplanes
ASOM	Aviation Safety Occurrence Manual
ATO	Approved Training Organisation(s)
ATPL	Air Transport Pilot Licence
ATSB	Australian Transport Safety Bureau
AWB	Airworthiness Bulletin
CAA	Civil Aviation Authority (precursor to CASA)
CAAP	Civil Aviation Advisory Publication
CAO	Civil Aviation Order
CAP	Civil Aviation Publication (United Kingdom)
CAR	<i>Civil Aviation Regulations 1988</i>
CASA	Civil Aviation Safety Authority
CASR	<i>Civil Aviation Safety Regulations 1998</i>
CDL	Configuration Deviation List
CEO	Chief Executive Officer
CFI	Chief Flying Instructor
CG	Centre of Gravity
COA	Certificate of Approval
C of R	Certificate of Registration
CSC	Client Services Centre

Acronym / abbreviation	Description
CV	Certificate of Validation
DAMP	Drug and Alcohol Management Plan
DG	Dangerous Goods
DGR	Dangerous Goods Regulation
DH	Decision Height
EASA	European Aviation Safety Authority
EDTO	Extended Diversion Time Operations
EROPS	Extended Range Operations
ERSA	En Route Supplement Australia
ETOPS	Extended Range Twin Engine Operations
FAA	Federal Aviation Administration of the United States of America
FAR	Federal Aviation Regulation Issued by FAA
FCOM	Flight Crew Operating Manuals
FCS	Flight Control System
FE	Flight Engineer
GNSS (RNAV)	Global Navigation Satellite System
GPWS	Ground Proximity Warning System
GSE	Ground Services Equipment
HCRPT	High Capacity Regular Public Transport
HUD	Head up Display
IATA	International Air Transport Association
ICAO	International Civil Aviation Organisation
IFR	Instrument Flight Rules
ILS PRM	Instrument Landing System Precision Runway Monitors
JAA	Joint Aviation Authorities in Europe
JAR	Joint Aviation Regulation issued by JAA
LAHSO	Land and Hold Short Operations
LARPIS	
LBA	Luffahrt Bundesamt -German Airworthiness Authority
LCRPT	Low-Capacity Regular Public Transport
MCM	Maintenance Control Manual
MDA/H	Minimum Descent Altitude/Height
MDR	Major Defect Report
MEF	Materials Evaluation Facility

Acronym / abbreviation	Description
MEL	Minimum Equipment List
MMEL	Master Minimum Equipment List
MoU	Memorandum of Understanding
MRB	Maintenance Review Board
MTOW	Maximum Take Off Weight
NAA	National Airworthiness Authority
NOF	NOTAM Office
NOTOC	Notification to Captain
NTO	No Technical Objection
OLS	Obstacle Limitation Surfaces
PIC	Pilot in Command
PBS	Protective Breathing Equipment
PUS	Permissible Unserviceability List
PRM	Precision Runway Monitor
QRH	Quick Reference Handbook
RDH	Reference Datum Height
RLD	Rijksluchtvaartdienst-Netherlands Airworthiness Authority
RNP	Required Navigation Performance
RPT	Regular Public Transport
RVSM	Reduced Vertical Separation Minima
SAR	Search and Rescue
SFR	Standard Form Recommendation-internal CASA process
SODPROPS	Simultaneous Opposite Direction Parallel Runway Operations
SOM	System of Maintenance
SPL	Special Purpose Lane
SSAA	Safety Sensitive Aviation Activities
STC	Supplemental Type Certificate
TC	Type Certificate
TCAS	Traffic Collision Avoidance System
TOW	Take-off Weight
VFR	Visual Flight Rules
WCA	Weight Control Authority

## Definitions

Term	Definition
Applicant	A legal entity applying for an Air Operator's Certificate – also referred to as the <i>proposed certificate holder</i> in this handbook.
Operator	A legal entity who holds an Air Operator's Certificate
Air Operator's Certificate (AOC)	An Air Operator's Certificate (AOC) is a permission granted by CASA under section 27 of the <i>Civil Aviation Act</i> to conduct commercial activities prescribed in CAR 206.
CASA Project Manager	The CASA Project Manager is responsible for managing the overall assessment process and, in particular, the coordination of the project team members in the assessment phase. The CASA Project Manager is also responsible for monitoring and reviewing the progress of the assessment including the assessment cost.
CASA Project Team	A group of CASA staff responsible for assessing an application for an AOC. The size of the CASA Project Team is determined by the scope and complexity of the AOC application. In some cases, the team could be comprised of only one CASA inspector.
CASA Region Manager	A CASA Officer who has overall responsibility for effective management of a CASA Region Office, ensuring standardisation of operations and consistent application processes.
CASA Region Office	The CASA Office responsible for assessing the AOC applications according to the procedures outlined in this AOC Process Manual and the AOC Handbook, and advising the CASA delegate of the recommended action in relation to an application.
Certificate Team Manager	A CASA Officer who is responsible for task allocations, resource management and consistent application of processes within their team. The Team Manager liaises with the CASA Project Managers and the CASA Region Manager to ensure adequate resources are available for assessments.
AOC Holder	A legal entity who holds an Air Operator's Certificate.
Controlling Office	The CASA Region Office responsible for the operational oversight of the issued AOC.
Conducting Office	The CASA Region Office responsible for the assessment of the AOC application.
Delegate	A CASA officer who has the authority, for the purposes of this handbook, to make a decision to issue, refuse, suspend or cancel an Air Operator's Certificate under the <i>Civil Aviation Act</i> .
Entry Control	Common term used to describe the process to assess an applicant, for the purposes of issuing a permission to undertake a particular aviation activity.
High Capacity Aircraft	An aircraft with maximum seating capacity exceeding 38 seats or maximum payload exceeding 4,200 kilograms – See CAO 82.0.
Large Capacity Aircraft	An aircraft MTOW + 15000kg seating + 30 (CAR 2)
CASA Inspector	A CASA officer who conducts the assessment to ensure that an



Term	Definition
	applicant has satisfactorily met the requirements set by legislation for the issue of an Air Operator's Certificate. The officer must have completed the discipline specific requisite mandatory training as prescribed by CASA for the associated approval.
Legal Entity	A natural person or a body having legal personality, capable of enjoying and being subject to legal rights and duties established under relevant state or Commonwealth law.
Low Capacity Aircraft	Any aircraft other than <i>high capacity aircraft</i>
Permission	General term used to describe all civil aviation authorisations issued by CASA that authorise a person or organisation to undertake a particular aviation-related activity. Includes all licences, permits, approvals, authorisations, certificates, exemptions and delegations.
Client Services Centre (CSC)	CASA's single point of contact for AOC applications under the direction of Industry Permissions. CSC processes applications, provides information to applicants and receives payments. It registers tracks and monitors compliance with service delivery standards.

## Revision history

Amendments/revisions of this manual are recorded below in order of most recent first.

Version No.	Date	Parts/Sections	Details
1.1	Nov 2016	All	Complete update
1.0	Oct 2012	All	First issue

## 1. Introduction

### 1.1 About the AOC Handbook

Anyone intending to conduct any commercial activities prescribed in the aviation regulations (such as aerial, charter and regular public transport operations in reg. 206 of the *Civil Aviation Regulations 1988*, or foreign air transport operations in Part 129 of the *Civil Aviation Safety Regulations 1998* ([CASR](#)), or certain flying training under CASR Part 142), is required to have an Air Operator's Certificate (AOC).

The AOC Handbook is part of the AOC Manual Suite which provides applicants with information on how to obtain an Air Operator's Certificate for the above operations. It also provides existing certificate holders with information on how to maintain their certificate or vary their existing AOC.

The AOC Handbook supports the AOC Process Manual, which outlines the steps Civil Aviation Safety Authority (CASA) and the applicant need to take to process an application for an AOC.

This Handbook is subject to a continuous improvement program and as such is under continuous development and review. Submissions for change or amendment can be submitted as per the Continuous Improvement Process to [continuousimprovement@casa.gov.au](mailto:continuousimprovement@casa.gov.au).

#### 1.1.1 Purpose of the Handbook

The purpose of this handbook is to provide CASA staff with policy and guidance on standardising entry control requirements for the processing of an application for an Air Operator's Certificate.

It provides CASA and industry with an explanation of the AOC issue and change process, and provides guidance on the requirements for obtaining, changing and maintaining an AOC.

The Handbook, together with the other documents in the AOC Manual Suite, aims to establish transparency in CASA decision-making process.

#### 1.1.2 Who this Handbook is for

This Handbook is for the use of both CASA staff, and persons or organisations applying for or holding an Air Operator's Certificate.

This handbook does not apply to applicants wishing to operate Remotely Piloted Aerial Systems (RPAS) and Sport or Recreational Aviation.

#### 1.1.3 What this Handbook Covers

This Handbook sets out the guidance information for the issue of or a change to an Air Operator's Certificate and covers a wide range of activities encompassing aerial work, charter and RPT operations.

The Handbook:

- outlines the legislative requirements and policies which support the AOC process
- provides detailed guidance material to support completion of a process step.

The Handbook also sets out the criteria that CASA requires an applicant to meet to obtain an AOC. The applicant must ensure that they have the systems, procedures, premises, equipment and the personnel necessary to ensure that aviation safety is not compromised.

### 1.1.4 What this Handbook Does Not Cover

This Handbook does not cover the maintenance requirements of Part 42 of the CASR for Regular Public Transport (RPT) operations. For guidance on the requirements of Part 42, please refer to its Manual of Standards and Part 42G – Continuing Airworthiness Management Organisation (CAMO) Assessor Handbook.

Information can also be found on the [CASA website](#).

### 1.1.5 Using the AOC Handbook

CASA staff are required to follow the procedures and policies in this handbook. An applicant may use these policies and procedures as guidance when preparing for an AOC application.

By adhering to handbook's policies and procedures, a standard and unified approach consistent with regulatory requirements will be maintained when issuing an Air Operator's Certificate.

The Civil Aviation legislation provides few distinctions between small scale and large scale operations because the basic principles of sound operating practice are essentially similar at all levels. However, CASA will apply the guidance information in this handbook as appropriate, giving due consideration to the size, complexity and particular circumstances of the applicant.

Where deviation from the policies and procedures contained in this handbook is required, such deviation must be approved by the CASA Senior Manager, Safety Assurance.

In this handbook the words *must* or *shall* are used to indicate that CASA requires the policy or procedure to be adhered to. The word *recommended* is used to indicate that a greater degree of latitude may be exercised and the CASA team member will use their experience and training to make a decision based on the information available.

## 1.2 The Structure of the Handbook

### 1.2.1 The AOC Manual Suite

This AOC Handbook is part of the AOC Manual Suite that provides guidance on applying for, issuing and maintaining an AOC. The Suite consists of the following, as shown in the diagram below (Figure 1):

- The AOC Process Manual
- This Handbook
- The AOC Forms.

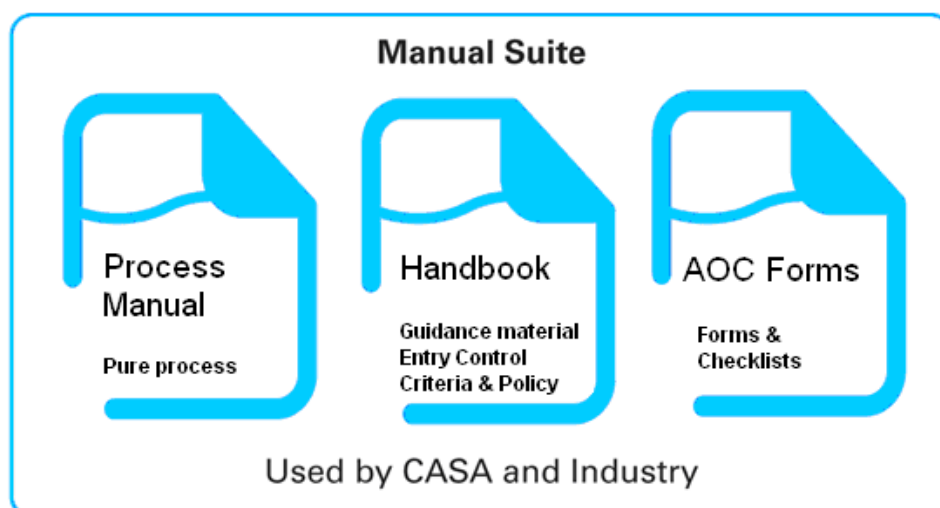


Figure 1: AOC Manual Suite

The **AOC Process Manual** sets out the process that the applicant and CASA must follow from enquiry, to assessment and issue of an AOC. It is designed as a fast, quick-reference mechanism that standardises how CASA Inspectors carry out the assessment activities. It also outlines the points of interaction between CASA and the aviation industry in the conduct of these activities. The full version of the Air Operator's Certificate Process Manual is available on the CASA website.

The **Handbook** deals with the detailed information on the assessment criteria and policies for the issue of an AOC. The Handbook aligns with and supports the AOC Process Manual by providing detailed explanations on the requirements outlined in the process steps. The AOC Handbook is divided into five volumes:

- Volume 1 – AOC General Matters
- [Volume 2 – Flying Operations](#)
- [Volume 3 – Airworthiness](#)
- [Volume 4 – Specialist Areas](#)  
(Dangerous Goods, Cabin Safety, Ground Operations, Drug and Alcohol Management Plans, Aerodromes and Safety Management Systems)
- Volume 5 – International Operations  
(Foreign Air Transport Operators).

### Electronic Forms and Manuals

CASA has developed electronic tools to assist industry in the certificate application process and to build manuals.

CASA will accept for assessment applications and manuals developed using the electronic tools. It is expected that CASA staff will also return manuals to the applicant for rework by electronic means.

Another feature of electronic tools is the ability of industry to produce and submit electronic application forms and manuals. The tools also provide for online assessment and return to the applicant for rework. In some cases, industry is required to supply CASA with a copy of the

approved or accepted manuals. These manuals can be provided to CASA in an electronic form.

The **AOC Application Forms** allow an applicant to submit an application for an AOC and CASA to assess the application. The suite of AOC Application Forms is the CASA approved forms for applying for an Air Operator's Certificate.

### 1.2.2 Where to Get Further Information/Assistance

To obtain further assistance with any of the information contained within this handbook, contact the Client Services Centre (CSC) Brisbane on 136 773 or visit the CASA website at [www.casa.gov.au](http://www.casa.gov.au).

To make suggestions regarding amendments to this handbook, email [continuousimprovement@casa.gov.au](mailto:continuousimprovement@casa.gov.au).

CASA may, by notice in writing served on the AOC holder, cancel, suspend or vary the certificate where CASA is no longer satisfied that the AOC holder meets the safety and legislative requirements.

The process involving administrative action is coordinated by CASA Legal (LARPIS). If a certificate is cancelled, suspended or varied as a result of enforcement action, a job still needs to be raised by CSC to include details of the action in the database.

## 2. Air Operator's Certificate Overview

### 2.1 What is an Air Operator's Certificate?

An Air Operator's Certificate (AOC) is a permission granted by CASA under [section 27](#) of the Act to conduct commercial operations prescribed in [CAR 206](#) by:

- aircraft flying into, or out of, Australian Territory
- aircraft flying in Australian Territory
- Australian aircraft flying outside Australian Territory.

All AOCs are issued for a specified period. To continue operating, an AOC holder must apply for, and be issued with, a new AOC prior to the expiry of the existing AOC.

If you are not sure about whether you require an AOC, please contact the CASA Client Service Centre (CSC) on 136 773 or by email at [regservices@casa.gov.au](mailto:regservices@casa.gov.au).

### 2.2 Who May Apply for an Air Operator's Certificate?

Any legal entity may apply for an AOC. This includes:

- a natural person or a group of natural persons
- an incorporated company or association, or a group thereof
- a body corporate or politic created by statute.

CASA requirements on legal identity checks are set out in detail in the AOC Handbook Volume 1 - 4.5.5 Legal Entity.

### 2.3 Types of Authorisation

The following commercial purposes can be approved under an AOC:

- Aerial Work
- Charter
- Regular Public Transport.

#### 2.3.1 Aerial Work

Aerial work activities include the following:

- Aerial Advertising
- Aerial Agricultural Operations
- Aerial Photography
- Aerial Spotting
- Aerial Stock Mustering
- Aerial Surveying
- Ambulance Functions
- Dropping
- Feral and diseased animal control

- Frost Protection
- Power line
- Rappelling
- Search and Rescue
- Sling Load Operations
- Surveillance
- Target Towing
- Trade Operations
- Winching and Hoist
- Carriage, for trading purposes, of goods owned by the pilot, owner or hirer of the aircraft on schedules that are not fixed and terminals
- Flying training, other than conversion training or training carried out under an experimental certificate issued under regulation [21.195A](#) of *Civil Aviation Safety Regulations* (CASR) or under a permission to fly in force under sub regulation 317 of the *Civil Aviation Regulations* (CAR 1988).

### 2.3.2 Charter

Charter operations covers:

- the carriage of passengers or cargo for hire or reward to or from any place, other than carriage in accordance with fixed schedules to and from fixed terminals or carriage for an operation mentioned in sub regulation 262AM(7) of CAR 1988 or under a permission to fly in force under sub regulation 317(1) CAR 1988
- carriage, in accordance with fixed schedules to and from fixed terminals, of passengers and/or cargo in circumstances in which the accommodation in the aircraft is not available to persons generally.

### 2.3.3 Regular Public Transport

Regular Public Transport operations covers the transport of persons or cargo for hire or reward in accordance with fixed schedules to and from fixed terminals over specific routes with or without intermediate stopping places between terminals.

## 2.4 The AOC Processes

### 2.4.1 AOC Certification Process

The AOC certification process consists of four main phases:

- Enquiry
- Application
- Assessment
- Certification.

Detailed information regarding these phases is discussed in Vol 1, Chapter 4 of this handbook.



### **2.4.2 Cancellation at AOC holder's request**

CASA must cancel an AOC if the AOC holder makes a written request. There is no specified form for the cancellation of an AOC.

Before actioning a cancellation request, CASA must ensure that the person requesting the cancellation has the authority to do so.

The process for cancellation at the request of the AOC holder is detailed in Section 2.0 of the AOC Process Manual.

### **2.4.3 Cancellation, suspension or variation as a result of Enforcement Action**

It is the responsibility of the AOC Holder to ensure the commercial operations authorised by the AOC continues to comply with legislative requirements.

CASA may, by notice in writing served on the AOC holder, cancel, suspend or vary the certificate where CASA is no longer satisfied that the AOC holder meets the safety and legislative requirements.

The process involving administrative action is coordinated by CASA Legal Services Division. If a certificate is cancelled, suspended or varied as a result of enforcement action, a job still needs to be raised by CSC to include details of the action in the database.

### 3. Applicable Legislation

The following is a list of legislation and advisory material that is relevant to AOCs:

- *Civil Aviation Act 1988* ( the Act)
- *Civil Aviation Regulations 1988* (CAR) and *Civil Aviation Safety Regulations 1998* (CASR)
- Civil Aviation Orders (CAO)
- Manual of Standards (MOS)
- Advisory Information including:
- Civil Aviation Advisory Publications (CAAP)
- Advisory Circulars (AC)
- CASA Policy
- Acceptable Means of Compliance (AMC)
- Guidance Material (GM).

All CASA officers involved in the issue of an AOC must, in the first instance, familiarise themselves with Division 2 of Part III of the Act which sets out the legal framework for the issue on an AOC. If clarification is required on the above, it is recommended officers seek legal advice.

Section 28 of the Act deals with matters about which CASA must be satisfied before an AOC is issued. If CASA is not satisfied that an applicant meets, or is capable of meeting, all the requirements set out in section.28 of the Act, CASA must not issue the AOC.

## 4. Certification Process

### 4.1 CASA Responsibilities

CASA's responsibilities in relation to the AOC application are to:

- assess the application and all supporting documentation received from the applicant to determine whether it is satisfied that the applicant is able to safely carry out the operations proposed
- perform an assessment in accordance with this handbook, the AOC Process Manual and the AOC Application Forms, including consideration of the matters set out in [section.28](#) of the Act
- manage the AOC application assessment process
- inform the applicant of the names of the CASA officers who will be managing the assessment
- provide advice to the applicant about the ongoing status of the application.

### 4.2 Applicant's Responsibilities

The applicant's responsibilities in relation to the AOC are to:

- be familiar with the regulatory requirements that apply to an AOC holder, including ICAO annexes (for foreign operators)
- understand CASA's policy requirements as outlined in this handbook
- establish an organisation with the resources and procedures adequate to support the proposed activities having regard to the nature of the AOC operations
- manage the AOC application within their business and provide a point of contact for CASA
- provide a complete AOC application form and supporting documentation
- make available staff from their organisation to coordinate the verification of information provided in the application and supporting documentation
- at CASA's request, provide satisfactory evidence that all risks associated with their application have been identified and mitigated.

Where the assessment identifies an area for which no guidance has been provided in the handbook, the applicant must provide a detailed safety case that will satisfy CASA.

#### 4.2.1 Emergency Situations – Legal Defence

There may be occasions where a person engages or seeks to engage in conduct in contravention of a statutory requirement because of an emergency. Paragraph 66 of AIP ENR 1.1 makes provision for a mercy flight to be declared in certain circumstances. This part of the AIP has no independent legal status and therefore in any of the above circumstances, the Criminal Code defence of 'sudden or extraordinary emergency' must be able to be relied upon.

The defence is available where a person reasonably believes that:

- circumstances of sudden or extraordinary emergency exist
- committing the offence is the only reasonable way to deal with the emergency
- the conduct is a reasonable response to the emergency.

The *Commonwealth Criminal Code: A Guide for Practitioners* states:

- *the emergency must be real or reasonably apprehended as real:* the defence of sudden or extraordinary emergency is not available to a defendant who is unreasonably mistaken in apprehending a situation of emergency
- *the emergency must be unavoidable by lesser means:* the defence is barred unless commission of the offence was the only reasonable way to deal with the emergency
- *the defendant's response to the emergency must be reasonable in the circumstances:* the defence is barred if commission of an offence was not a reasonable response to the emergency.

In general, if a person seeks advice from CASA about whether they can do something in contravention of a statutory requirement because of an emergency, CASA must advise they cannot, but inform the person of:

- a. the fact of the sudden and extraordinary emergency defence
- b. the elements of the defence
- c. the need for the person to be satisfied that the defence is reasonably available to them.

### 4.3 Process Overview

The following diagram (Figure 2) shows the overall process for obtaining an AOC.

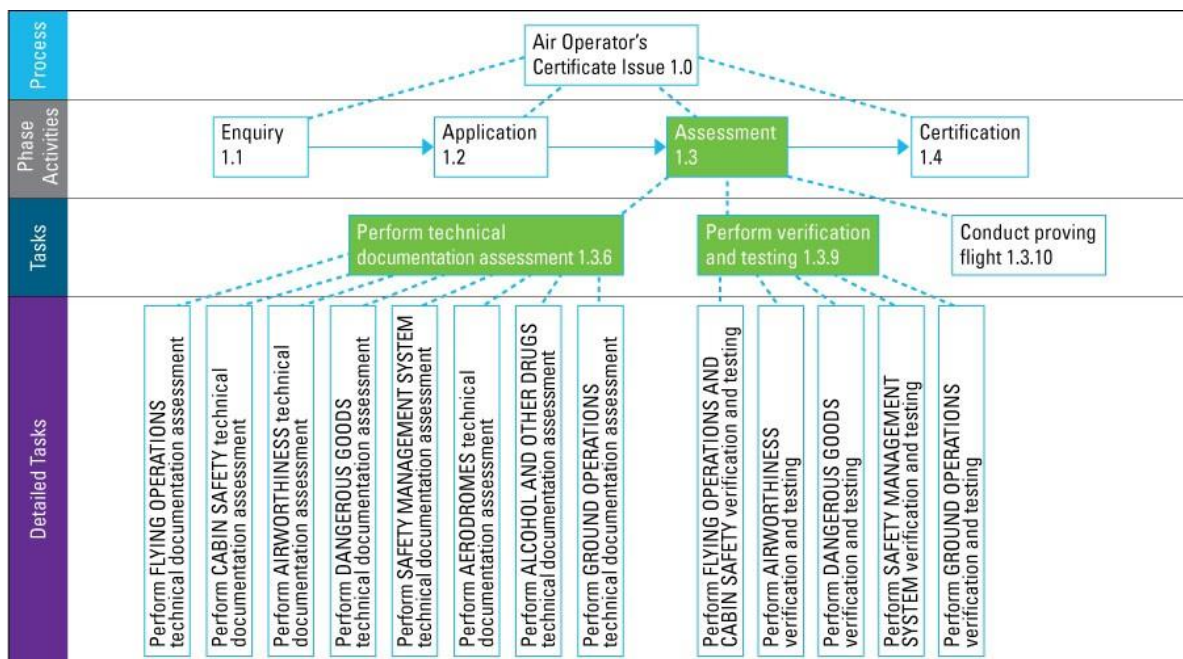


Figure 2: Overall process for obtaining an AOC



## 4.4 Enquiry

The Client Services Centre (CSC) is the first point of contact for guidance on how to apply for or vary an AOC.

The Enquiry Phase is an opportunity to educate and guide applicants in submitting a complete application with supporting documentation.

### 4.4.1 Pre-application meeting

#### When is a pre-application meeting required?

A pre-application meeting is conducted by CASA to help the applicant understand the certification process and the requirements to obtain an AOC.

The applicant may also request a pre-application meeting with CASA through the CSC.

A pre-application meeting is recommended for the initial issue of any AOC and for the addition of complex operations. CSC will consult with the CASA Region Office to determine if the operation is deemed complex.

#### What is covered in the pre-application meeting?

It is recommended that the pre-application meeting, chaired by the CASA Project Manager, be attended by all project team members and the applicant or their representatives.

The conduct of the meeting must give due consideration to the applicant's capabilities and expertise. The general guidelines provided in this section are intended to assist in the conduct of the meeting.

The following are some of the items that must be included in the agenda for discussion at the pre-application meeting:

1. Verification of information provided by the applicants.
2. The proposed operations.  
It is recommended this be discussed in detail. It is essential that the CASA Project Team fully understands the nature of the intended operations so they can provide the applicant with appropriate guidance and advice on the requirements. It is also important for the applicant to understand the safety and legal requirements of the proposed operations.
3. The proposed management structure, and qualifications and experience of the personnel proposed to conduct the operations.
4. Documentation, and verification and testing requirements.  
The applicant must have a clear understanding of what constitutes a complete application. This includes specification of the location of all intended facilities and where assessments are to be conducted. These facilities need to be in a ready state for on-site inspection and testing, should CASA determine if necessary.
5. The certification process.  
The applicant must be made aware of the certification process, and the roles and responsibilities of CASA and the applicant during the certification process. Information on the certification process is available in the AOC Process Manual. It is

recommended this be provided to the applicant who should read this before the pre-application meeting.

It is recommended the applicant also be advised of possible situations that may cause delays and the suspension of the process, for example incomplete or unsatisfactory documents, unsatisfactory inspections and tests, and/or payment delays.

The applicant must clearly understand that the documentation must be submitted in sufficient time to allow CASA to complete the assessment process and to issue the AOC before the intended commencement date of the applicant's operations. Delay by the applicant in responding to CASA will adversely impact on the time taken to complete the assessment phase and may result in the suspension or cancellation of the application.

CASA will take minutes of the meeting. The minutes will be distributed to all participants.

A suggested agenda is attached in Appendix 2 to Volume 2.

#### 6. CASA cost recovery policies.

The applicant must clearly understand the distinction between the provision of advice on CASA requirements, which is free, and the provision of assessments, checks, inspections and consultancy advice, all of which attract the payment of a fee.

## 4.5 Application Phase

The CSC will identify the CASA Regional Office that is to conduct the assessment and in conjunction with that office, where appropriate, review the AOC application and supporting documentation to create an estimate of costs.

For more information on the application process, refer to the AOC Process Manual.

### 4.5.1 Types of Application

There are three types of AOC application:

- initial issue of an AOC
- renewal or subsequent issue of an existing AOC
- variation to an existing AOC.

Although CASA policy allows the application process to be varied according to the type and complexity of the application, each application must meet all legislative and safety requirements.

To meet the requirements of section.27AA of the Act, the formal application must be in the form approved by CASA Instrument 193/12.

#### Initial Issue

The application must be made on [Form 1049—AOC Application](#), following the instructions accompanying that form.

CASA will verify the legal identities of the applicant for all applications for an initial issue of an AOC. Refer to Section 4.5.5.

### Renewal or subsequent issue

There is no obligation on CASA to remind an operator of an impending expiry of an AOC. However, it is CASA policy to do so whenever possible. CSC sends reminder letters in accordance with its reminder letter procedures.

Where an AOC is about to expire, the holder of the certificate may apply for its renewal.

When the application is for an AOC that authorises *the same operations* as the expiring certificate, the AOC holder must complete an AOC Application using [Form 1213—Application for a Subsequent Issue of an AOC without changes](#).

*The criteria for renewal of an AOC are the same as for initial issue.* Provided CASA remains satisfied with all matters referred to in section.28 of the Act, the reissue is an administrative process.

Where necessary CASA will perform an assessment as for an initial issue to ascertain that the holder continues to meet the legislative and safety requirements. This may substantially increase the processing cost of the AOC application.

The renewal application must be submitted with sufficient margin of time to allow CASA to complete the assessment prior to the expiry date of the current certificate.

In cases where the certificate has expired, the applicant is required to submit a complete application using [AOC Application Form 1049](#).

#### *Request for changes to the AOC at the time of renewal*

If the AOC holder wishes to apply for renewal of their certificate with changes to the authorisations, they may be asked, depending on the change requested, to apply for an AOC variation using the [AOC Application Form 1214](#). CASA will discuss with the applicant the timeframes required to process the change request in view of the expiry date of the current AOC.

#### *Renewal during investigation and administrative action*

In circumstances where a person's AOC is due for renewal while an investigation and/or show cause action is still to be completed, unless the delegate has immediate safety concerns regarding the person's activities, the delegate must re-issue the AOC for a sufficient time period (generally, not exceeding two months) to allow resolution of the action.

### Appeal process

Section.31A of the Act provides that where CASA makes a decision to suspend or cancel an authorisation after a mandatory show cause process, the decision is automatically stayed for five business days. If within that period the holder of the certificate applies to the Administrative Appeals Tribunal for a review of CASA's decision, then the decision is automatically stayed until the Tribunal makes a decision whether to grant a stay or not.

The Tribunal also has the power to extend an AOC that expires during the appeal process.



## Variation

Applications to vary an AOC must be made on the [AOC Application Form 1214](#), following the instructions accompanying that form. If the applicant wishes to remove authorisations from their current AOC, they also need to complete [AOC Application Form 853 – Application to remove activities or locations from an AOC](#).

Applications for variation to an existing AOC must be made and assessed as if they were an initial issue.

### 4.5.2 Applying for an AOC with ANZA privileges

The *Civil Aviation Legislation (Mutual Recognition with New Zealand) Act 2006* amended the *Civil Aviation Act 1988* to implement Australia's part of the joint commitment between Australia and New Zealand for the mutual recognition of air operator certificates.

The legislation enables the mutual recognition of AOCs for operation of aircraft exceeding 30 seats or 15,000kg. The Act provides for AOCs issued to an aircraft operator by CASA to be recognised in both Australia and New Zealand, for aviation activities in the both countries.

Following are the arrangements regarding Trans-Tasman aviation regulation, signed between the Australian and New Zealand governments and the Civil Aviation Safety Authority (CASA) and the Civil Aviation Authority of New Zealand (CAANZ).

- [Arrangement Between the Australian and New Zealand Governments on Mutual Recognition of Aviation-Related Certification](#)
- [Operational Arrangement Between the Civil Aviation Safety Authority of Australia and the Civil Aviation Authority of New Zealand in Relation to Mutual Recognition of Air Operator Certificates](#).

### Eligibility for consideration for an AOC with ANZA privileges

#### *Eligibility*

A person seeking an Australian AOC with ANZA privileges will first need to apply to CASA. CASA will forward the application to the Secretary of the Department of Infrastructure and Transport, who will assess the applicant's eligibility in terms of the criteria set out in the ANZA mutual recognition agreements.

CASA must wait for advice from the Secretary of the Department that the applicant is eligible for consideration for an Australian AOC with ANZA privileges. For more information contact the Department of Infrastructure and Transport or [visit their website](#). If the applicant is eligible, the application will be assessed in the same manner as an application for an AOC as set out in this handbook, but the additional requirements in section.28B of the Act must also be satisfied, namely:

- a. that CASA is satisfied that the applicant does not hold an aviation document granted by the Director of CAA New Zealand that authorises the applicant to conduct all or any of the ANZA activities in New Zealand that the AOC will authorise; and
- b. that the Secretary of the Department has advised CASA that, having regard to the ANZA mutual recognition agreements, the applicant is eligible for consideration for an Australian AOC with ANZA privileges; and

- c. that CASA is satisfied that the applicant has complied, or is capable of complying, with the provisions of the Civil Aviation Act 1990 of New Zealand, and the regulations and rules made under that Act, that will apply to the applicant in relation to the ANZA activities in New Zealand that the AOC will authorise; and
- d. that CASA is satisfied that it will be able to effectively regulate all the operations covered by the application, having regard to the following matters:
  - whether the applicant's supervision of systems that affect the safety of the operations will be principally undertaken from or within Australian territory
  - whether the applicant's training and supervision of employees involved in those systems will be undertaken principally from or within Australian territory
  - whether the majority of the resources used in those systems that are required for the operations will be situated within Australian territory
  - whether the persons who will control the operations will spend the majority of their time in Australian territory.

CASA must also consult the Director of CAA New Zealand about whether the conditions referred to in subsection (1) (other than paragraph (1)(b)) are satisfied.

### How to apply

Operators who wish to apply for an AOC with ANZA privileges, are required to:

- submit an AOC Application Form 1214 to CSC to advise of the intended operations to and within New Zealand
- gain approval of a [Transport Security Program](#).

### 4.5.3 The AOC Application Form and Supporting Documents

[Section.27AA](#) of the Act requires that an AOC application must be submitted in the form approved by CASA. The application must be complete when submitted to CASA.

A complete application comprises:

- a correctly completed application/ARN forms
- documentation supporting the authorisations requested.

The following forms are the CASA approved forms for applying for an AOC:

- [Form 1049](#) – Application for initial issue of AOC
- [Form 1213](#) – To renew an AOC without changes
- [Form 1214](#) – To vary an AOC
- [Form 853](#) – for a variation to remove authorisations.

### 4.5.4 Accuracy, completeness and quality of information

All information submitted by the applicant will be assessed to determine if the applicant meets the requirements for the issue of an AOC. An incomplete, poorly prepared or inaccurate application may:

- raise doubts in relation to the applicant's suitability to hold an AOC
- result in delays

- add to the cost of the assessment
- result in CASA's refusal to further consider the application.

CASA may suspend the application at any time pending the applicant submitting complete and accurate documentation. CASA will advise the applicant of the suspension.

### 4.5.5 Legal Entity

The law requires that the AOC holder must be a natural person or have legal personality. This includes:

- a natural person
- a group of natural persons
- an incorporated company or association
- a group of incorporated companies or association
- Body corporate or politic created by statute.

If the applicant does not meet the above criteria, the application will not be accepted.

The CSC will verify the identity of the AOC applicants according to its processes.

#### Individuals

If the applicant is an individual, CASA will require proof of ID, address and contact details, and an Aviation Reference Number (ARN) if CASA has previously issued one. If an applicant does not have an ARN, they must apply to CASA using [Form 1162](#) – Aviation Reference Number (ARN) Application.

#### Organisations

If the applicant is an organisation, CASA will require the name of the organisation as it is registered in the Australian Securities and Investments Commission (ASIC), the organisation's Australian Company Number (ACN) or ARBN, and the ARN (if previously issued by CASA). If an applicant does not have an ARN, one will be issued by CSC in accordance with their procedures.

For organisations, a confirmed search of the organisation's details with ASIC is sufficient proof of identification.

#### Changes to Legal Entity Name

An Air Operator's Certificate is not transferrable.

A change to the AOC by removing one of the AOC holders or adding a different legal entity as an AOC holder requires an application for an initial issue of an AOC.

If an organisation has changed its name, but has retained the ACN and ARBN as reflected on the current AOC, then the organisation has not changed its legal identity. A request to vary the AOC under this circumstance only requires an application for an AOC Variation.

If the ACN has changed, then the new organisation is a different and separate legal entity to that of the organisation named in the AOC. CASA must treat the change request as an initial issue AOC application.

For an individual, CASA will require evidence of the name change for example marriage certificate.

### **Change of the AOC Holder's Organisation, Personnel or Structure**

As part of the requirements for the issue of an AOC, an applicant must satisfy CASA about the matters in section.28 of the Act. Section 28BAA of the Act imposes a condition that an AOC holder must continue to satisfy CASA about those matters.

One of the matters in section.28 of the Act requires that CASA be satisfied that "the organisation has a sufficient number of suitable qualified employees to conduct or carry out the AOC operations safely." When making changes to its organisation, personnel and structure, the operator must ensure that it continues to satisfy CASA, as required by section.28BAA of the Act, about the requirements of section.28 of the Act for it to continue to hold an AOC.

### **Change of composition of Legal Entity**

An AOC may be issued to two or more legal entities that constitute a partnership. Should the partnership change, the AOC holder has changed.

AOCs are not transferable; therefore the remaining holder or holders will need to apply for a new AOC using the relevant forms for an AOC application as per Section 4.5.3—The AOC Application Form and Supporting Documents.

### **Change of organisation's status including ownership**

A change in ownership of a company does not affect the status of the legal entity itself.

### **4.5.6 Cost Recovery**

CASA is required by law to charge for the assessment of an AOC application.

Section 97 of the Act requires the applicant to pay the fees prescribed in the issuing of an Air Operator's Certificate. The fees are prescribed in the *Civil Aviation (Fees) Regulations 1995* and may alter during the processing period. Should this be the case, the CSC will inform the applicant.

### **Estimate**

On the basis of the information provided in the AOC application form and its supporting documentation, CASA will provide an estimate of the costs for processing the AOC application.

The estimate is calculated on the basis of what the applicant has requested and that the applicant has reasonable knowledge of the legislative and other requirements as applicable to their application. The estimate is also calculated on the basis that the applicant will provide an acceptable standard of documentation necessary to support the application.

The estimate covers the assessment of the application, including any administration costs associated with the assessment, and the processing and issue of the AOC. It may also include any direct costs CASA has incurred in undertaking the service, for example business name checks. For AOCs authorising foreign maintenance locations, the estimate will include airfares and all other associated costs. For additional information on fees and charges, please refer to [CASA cost recovery policies](#).

### *Estimate Letter*

CSC will send a letter advising the estimated cost and the payment required before CASA will start the assessment of the AOC application. The letter will also indicate any further documentation required in order to commence the assessment and will also advise on the validity period of the estimate.

The applicant must accept the estimate and CASA must receive the required payment for CASA services before the application can be processed.

CASA may cancel an AOC application job if it has not received the required payment and any other documents required to support the application within the period prescribed in the estimate letter.

Where payment is made outside the prescribed period, CASA will review the estimate to ensure its continued validity or advise the applicant otherwise.

### *Adjustments to the estimated cost*

The actual cost to the applicant may vary from the original estimate as a result of differences in the actual hours required to perform the service or due to the following:

- extended assessment times due to the unsatisfactory quality of the documentation submitted to support the application
- delays by the applicant in responding to CASA's request for documentation
- failure to meet the requirements of the verification and testing.

If it becomes apparent at any stage of the process that the total cost will significantly exceed the estimated cost, CASA will contact the applicant in writing providing the applicant with the option to reject the additional cost and withdraw the application.

The applicant is required to pay the additional amount before CASA can proceed with the processing of the application.

### **Applicant funded travel**

CASA must not accept any offer from the applicant to directly fund travel. This is to avoid any apprehension that CASA has a conflict of interest in respect of that application, avoiding any bias in the conduct of the assessment.

### **Cost review process**

If an applicant believes either the initial estimate of costs or the final total payment requested for a service is incorrect, they can ask CASA to review the costs.

### **Cost recovery on withdrawal of the AOC Application**

The applicant may withdraw their application at any time by notifying CSC in writing. The time CASA spent in processing the application up to the time of receipt of the withdrawal notice will be calculated and charged accordingly.

### **Cost recovery on job closure or refusal to issue AOC**

An applicant for an AOC is still required to pay fees to CASA for the application even if the AOC is refused or the job is closed due to lack of response from the applicant.

## 4.6 Assessment Phase

The primary aims of the assessment are to:

- assess all the supporting information provided by the applicant
- establish if the proposed operations in the AOC application meet the requirements, having regard to the nature of the proposed AOC operations.

The assessment is carried out in two parts:

- technical documentation assessment
- verification and testing.

To ensure that an assessment is carried out in the most efficient and effective manner, each AOC application must be treated as a project. Guidance on AOC Project Management is provided in AOC Handbook Volume 1, section 5.0.

### 4.6.1 Technical documentation assessment

The CASA Inspector must assess the documentation submitted by the applicant for completeness, adequacy, accuracy, quality and adherence to the requirements of the appropriate legislation and CASA policies applicable to the proposed operations. The documentation includes the AOC application form, their Operations Manual and all other information supplied in support of the application.

Detailed information on CASA requirements relevant to desktop documentation assessment are outlined in the following volumes of the AOC Handbook:

- Volume 2 – Flying Operations
- Volume 3 – Airworthiness
- Volume 4 – Specialist Areas  
(Dangerous Goods, Cabin Safety, Ground Operations, Alcohol and Other Drugs, Aerodromes and Safety Management Systems)
- Volume 5 – International Operations  
(Foreign Air Transport Operators)

### Assessment of the Operations Manual Suite

Assessment of an Operations Manual is required:

- As part of the assessment of an application for an AOC
- As part of the assessment for a variation to an AOC
- When an operator provides an amendment in compliance with CAR 215 (5).

The assessment will consist of:

- Review of the “demonstration of compliance” sections of the compliance statement ([Form 375](#)) by verification that the text referred to in each operations manual reference:
  - expresses *how* the operator intends to comply with that legislative requirement. A statement that only indicates that the operator will comply with the legislative requirement is not acceptable
  - is expressed as clear instructions without the use of complex or convoluted terminology.



- A review of the documents as a whole, ensuring that:
  - processes and procedures in different sections of the manual do not contradict each other
  - the size and presentation of the manual is suitable for use by the operator's staff in their day-to-day work.
- A validation that the amendment process required by subsections 2.2 of [CAO 82.1](#), subsection 2.2 of [CAO 82.3](#) or subsection 2.2 of [CAO 82.5](#) (as applicable) is in a form that provides each manual holder with clear instructions for making updates to their copy of the manual.
- Material directed by CASA to be included meets the requirements of the direction.

The Operations Manual provided for assessment must be the final version that the operator proposes to use. Each amendment of the manual resulting from ongoing CASA assessment or operator-initiated amendment must use the amendment process that is contained in the Operations Manual. In addition to normal document control protocols, it will provide a validation of the operator's amendment process and provide the most economical assessment method for the operator.

An Operations Manual can be submitted in hard copy form or in an electronically readable format such as Adobe Acrobat. Regardless of the format used, the CASA Inspector will verify that:

- the reader of the manual can verify that each page of the Manual is the correct version
- the location and content of the changes made by the most recent amendment is readily evident. This is usually done by the use of change bars adjacent to the amended text
- the format of the Operations Manual suite remains consistent after amendment.

### **Aerial Agricultural Operations**

The Aerial Agricultural Association of Australia (AAAA) has developed an operations manual for use by its members.

The manual has been accepted by CASA as meeting the requirements of CAR 215 (1) and CASR Part 137 in relation to aerial agricultural operations for applicants or existing AAAA AOC holders.

The AAAA must furnish copies of the current version of the operations manual to CASA. The document will be retained by CASA region operations offices. Applicants who use the AAAA operations manual are to supply appendices detailing specific operations and will be assessed by CASA.

CASA recognises the generic AAAA manual and as such CASA officers conducting either entry control or surveillance activities are required to make assessments based on the content of the manual. CASA officers who have specific comments may address them to the Senior Manager, Safety Assurance.

## Assessment and testing

Once the project team is satisfied with the relevant document evaluations, the verification and testing phase is undertaken to:

- satisfy CASA that the applicant has the facilities, processes, suitably qualified and experienced persons to comply with the requirements specified in their Operations Manual
- grant specific approvals (for example, check pilots) required by the operations of the proposed AOC.

In the conduct of inspections, it is important to ensure that the assessment is made against standards and procedures specified in the applicant's Operations Manual, whilst ensuring all legislative requirements are met.

### 4.6.2 Planning of Inspections including Proving Flights

Before an AOC is issued, there is a need to conduct inspections of the applicant's proposed operations, facilities, aircraft and aerodromes.

For a large organisation, this may require a number of visits; for a smaller organisation a single visit may suffice. The Project Manager and Certificate Team Manager must anticipate and plan ahead for these contingencies.

Both CASA and the applicant must agree on a project timetable within which the inspections will be conducted.

Where proving flights are required, they must be the final activity of the assessment. Please refer to AOC Handbook Volume 2 – Flying Operations for more information on the conduct of Proving Flights.



**Note:** An applicant may wish to contract out some of the work involved in the operation. This work may vary from non-operational aspects such as accounting or catering, through to essential items such as passenger and freight handling, aircraft servicing, aircraft maintenance at various levels and training of technical or cabin crew, or even to the extent of leasing aircraft or operating crews. Contractors providing operational services will require inspection even if they were approved in their own right or are contracted to another AOC holder.

### 4.6.3 Job suspension

CASA will suspend the processing of an AOC application under the following circumstances:

- CASA has not received payment following any estimate sent to the applicant
- the applicant has not supplied required information or documentation requested by CASA
- the applicant has not addressed deficiencies found during the documentation assessment or verification and testing
- on receipt of a written request by the applicant.

Suspending a job can be undertaken by the CSC. However, instructions to suspend usually come from the CASA Region Office.

CASA will notify the applicant when a job has been suspended. Jobs that have been suspended for 90 days may be closed by CASA. CASA will send the applicant a written



notification, providing an opportunity to submit required documentation, before making a final decision to refuse the issue of an AOC and/or close the job and return the application.

### **4.6.4 Job cancellation**

The applicant may request in writing to cancel their application at any time.

Actioning a cancellation request cannot be undertaken if the request is received in any other form. CASA will reconcile the applicant's account and send an invoice or refund accordingly.

### **4.6.5 Applicant has not yet satisfied requirements**

If it becomes clear that an applicant is unlikely to satisfy the requirements for issuing an AOC, it is important that the applicant be notified immediately of the deficiencies and be given the opportunity to address the deficiencies. The notification must be given in writing by CASA.

### **4.6.6 Refusal to consider an application or part thereof**

Refusal to further consider an application or any part of an application is a serious matter, which may involve financial cost to the applicant. Under section 31 of the Act such a decision is subject to merits review. Consequently, such decisions must be carefully considered and fully documented.

Where an assessment indicates that certain elements of the application are not satisfactory, those elements will not be recommended.

If a recommendation for refusal is likely to be made, a statement of reasons must be prepared by the Project Manager for inclusion in the Standard Form Recommendation (SFR). This may be done in conjunction with LARPIS. The Project Manager must inform the CASA Certificate Team Manager and the CASA Region Manager. The applicant is then advised of the Region Office recommendation.

## **4.7 Certification Phase**

[Section 28](#) of the Act specifies that CASA must issue an Air Operator's Certificate, covering the operations applied for in the AOC application if CASA is satisfied the applicant meets the requirements set out in that section.

On completion of the assessment, the CASA Region Office must provide an SFR to the CASA delegate summarising the details of the application, findings of the assessment and recommending a course of action based on this information.

The CASA Region Office will provide a recommendation to the CASA delegate to either issue the AOC, not issue the AOC, or issue the AOC with specific conditions. If the SFR recommends something other than the applicant has applied for, the SFR must contain sufficient detail to inform the Delegate and justify the recommendation to the applicant.

The Delegate must review the recommendation and make a decision to issue or not issue the AOC. The Delegate must be satisfied under section 28 of the Act that the operations outlined in the draft AOC can be carried out in a safe and satisfactory manner before the AOC can be issued.

Once an AOC has been issued, the AOC applicant is referred to as the AOC Holder.

### 4.7.1 Being legally satisfied

The administrative law requirements for lawful decision making cover the following matters:

**Legality:** *A decision must be made under legal authority by a delegate of CASA.*

**Rationality:** *The reasoning for a decision must conform to minimum legal standards.*

#### Factors to be considered when making a decision

An administrative power must be exercised in accordance with the law. There is an overriding obligation to examine and weigh all the relevant considerations and to ignore irrelevant ones. As the listed factors in section 28 of the Act are complete or exhaustive, the delegate is not permitted to consider other things. It is a legal error to have regard to an irrelevant consideration, just as it is to ignore a relevant one. An irrelevant consideration is something outside the purposes for which the power was given.

#### Use of policy including matters referred to in this manual

If a delegate has to make a discretionary judgment, this manual will set out the factors that must be considered and the relative importance of each factor. For example, as section 28 of the Act requires a delegate to make a discretionary judgment about whether key personnel in the organisation has the appropriate experience in air operations, this manual will set out the factors that may be taken into account in being satisfied that a person has such experience, but they must not be treated as the only factors that are relevant.

A policy can guide decision making, but it must not prevent a delegate exercising discretion. It cannot constrain them to reach a particular decision; nor can it prevent them taking all relevant considerations into account. Policy must not be applied inflexibly. The delegate must be prepared to consider whether it is appropriate to depart from the policy in an individual case. However, all these considerations are subject to the requirements in the preface to this manual about departing from authorised policy.

#### Facts needed to make a decision

A statutory power to make a decision usually depends on the existence of certain 'material facts'; section 28 of the Act sets out factual matters that must be considered by a delegate.

#### Evidence

Findings in relation to the facts in issue must be based on evidence that is relevant and logically capable of supporting the findings. They must not be based on guesswork, suspicion or questionable assumptions.

A delegate must obtain evidence that is centrally relevant to their decision and readily available to them. A delegate must investigate a fact if their power depends on the existence or non-existence of the fact.

#### Assessing the evidence

An administrative decision maker is not bound by the rules of evidence that regulate the admission and evaluation of evidence by courts. Administrative decision making is subject to the following standard: findings of fact must be based on logically probative evidence-material that tends logically to prove the existence or non-existence of a fact.

**A conflict in evidence**

Evidence must be analysed closely and evaluated to determine whether there is any conflict in relation to a material fact. Evidence is not all of equal weight. Assessment of the weight of evidence involves the application of logic, common sense and experience.

**The standard of proof**

The question to be decided is whether, on the basis of the logically probative evidence, the delegate is reasonably satisfied that a particular fact is more likely than not to be true.

**Making findings of fact**

Accounting for a decision, including the findings of fact, is an important part of a delegates function. Full and accurate records must be kept—including copies of checklists, documentary evidence, notes of inquiries, findings of fact, and reasoning.

**4.7.2 AOC Periodicity**

An AOC is required to be issued for a specified period. CASA applies the following periods when issuing an AOC:

**Table 1: AOC Periodicity**

Type	Operations	Period
Initial Issue	Any	12 months
Subsequent Issue	Any operation involving charter or RPT	3 years
	Any complex aerial work operation	3 years
	Any non-complex aerial work operation	7 years
	Aerial application operations	7 years

**For AOC variations**

Following a variation to the AOC, the expiry date will remain as that contained on the current certificate.

For a variation where the expiry date is within a three month period, the AOC can be treated as a subsequent issue.

**Definition of terms**

The following definitions apply in relation to the above (Table 1).

*Complex aerial work operations:*

- any operation that requires a training and checking organisation under CAR 217
- flying training operations that require a flying school
- emergency medical service operations
- any operation determined by CASA to be sufficiently complex in nature to warrant increased oversight. In making this determination, the Senior Manager, Safety Assurance Branch must be consulted.

*Non-complex aerial work operations:* operations that are not included in the above definition of complex aerial work operations. for example CASR Part 137 Aerial Application Operations, Mustering or similar operation.

*Operation with a mix of complex and non-complex aerial work operations:* regardless of the volume of complex to non-complex activities within an AOC, any operations involving a complex activity will be categorised as complex, for example EMS, Law Enforcement or Aeromedical Services.

The inclusion of periodicity information in the table above does not prevent CASA from issuing an AOC with a different expiry date.

## 5. AOC Project Management

### 5.1 Project Management

CASA assessment of an AOC application must be treated as a project. It means CASA must have:

- a formal and structured method of managing the certification activities
- activities that have specifically defined outputs that are to be delivered according to a set schedule agreed to by CASA and the applicant
- a clear definition of roles and responsibilities of the resources involved.

CASA's Workflow Management System may be used as an effective management tool to assist in achieving these requirements.

There are two projects in the processing of an AOC application:

- the applicant's management of the process
- CASA's management of the process (including all applicable checklists).

Both of these projects are managed separately in order to achieve certification of the intended operations. It is important that the roles and responsibilities of both CASA and the applicant are clearly understood. It is not the role of the CASA Project Manager to manage the applicant's project.

### 5.2 Financial assessments

#### 5.2.1 Region Manager

The CASA Region Manager has overall responsibility for effective management of a CASA Region Office, ensuring that the office achieves required performance through standardisation of operations, consistent application of processes and efficient use of resources.

#### 5.2.2 CASA Certificate Team Manager

The CASA Certificate Team Manager will appoint a Project Manager and arrange for the provision of personnel to form the project team. Where the appropriate resourcing is beyond the capacity of the local office, the Region Manager will coordinate resources with other areas of CASA.

#### 5.2.3 CASA Project Manager

The CASA Project Manager is responsible for managing the overall assessment process and the coordination of the project team members and ensuring that sufficient resources will be available for CASA to meet the project plan (formerly known as schedule of events). When the Project Manager is satisfied that the operator is capable of meeting the requirements of the Act to hold an AOC, the CASA Project Manager will make a recommendation to the Region Manager.

The Project Manager must:

- chair the pre-application and formal application meeting (if required)
- coordinate the creation of the task lists and hours for the estimate

- monitor the progress of work of all team members against projected delivery timeframes and availability of resources
- monitor progress of work of all team members against the estimated cost of work and ensure any projected or actual increase in cost to the applicant, above what was provided in the original estimate, is communicated to the applicant
- ensure the communication protocol enables a free flow of information between CASA and the applicant, including regular meetings with the applicant's project manager
- arbitrate in any dispute between CASA and the applicant
- provide a formal point of contact between CASA and the applicant
- coordinate the work done by the certification teams
- keep the Certificate Team Manager informed on the progress of the project
- maintain records of all formal meetings
- consider the recommencement of initial assessment process should a significant change in the application occur
- following the document evaluation and inspection phases, review the recommendations of the Project Team, and raise an SFR. The Project Manager must review the draft AOC prior to final recommendation. The SFR will then proceed through the Certificate Team Manager to the Region Manager recommending to the delegate:
  - whether or not the certificate should be issued, and if not, the reasons for not proceeding
  - if conditions in accordance with section 28BB of the Act are to be imposed on the AOC, and the reasons for the conditions must be stated
- advise the applicant if CASA is unable to meet the scheduled assessments.

### 5.2.4 CASA Project Team Members

All CASA Project Team Members must record all discussions relating to the application.

CASA Project Team Members must use the checklists provided in this manual. These checklists must not be signed as completed until all criteria have been successfully addressed. Completed checklists must be retained as CASA records for the CASA Project Manager to review.

Records of unsuccessful inspections must be retained as CASA records.

## 5.3 Qualifications of the CASA Project Team Members

### 5.3.1 Flying Operations

Where the CASA Inspector is to occupy a control seat, the CASA Inspector must be endorsed on the type and have the necessary currency, and recency to be Pilot in Command of the operation being assessed.

For other assessments, including simulator supported aircraft, the CASA Inspector must be endorsed on the type or a type which is substantially similar.

Where a CASA inspector with “substantially similar” experience is required for an assessment, the team manager will assign an inspector. If an inspector with “substantially similar” experience is not available, the team manager will recommend, through the Region Manager, the most suitable inspector to the Senior Manager, Safety Assurance for approval. The Senior Manager, Safety Assurance will determine if the inspector is suitable.

### 5.3.2 Airworthiness

The airworthiness team will consist of one or more CASA Inspector’s dependent on the resources required to complete the task. CASA Inspector’s must be familiar with the aircraft types that the applicant proposes for the AOC.

Where the applicant requires Minimum Equipment Lists (MELs), System of Maintenance (SOM), or reliability programs approved by CASA:

- the CASA Inspector must assess those approvals in accordance with the applicable CASA procedural manuals. The CASA Inspector must have training or experience on the actual aircraft type or a similar type to carry out those assessments
- prior to carrying out these assessments the CASA Inspector must have undertaken CASA training for these types of assessments.

The CASA Inspector must inform the Project Manager of any delays in the assessment process that would impact on the project plan.

### 5.3.3 Other Disciplines

The Project Manager will determine the need for other disciplines in order to assess the application. Other disciplines which may need to be involved are:

- Cabin Safety
- Dangerous Goods
- Ground Operations
- Aerodromes
- Safety Management System
- Alcohol and Other Drugs.

The assessment process for each of these areas can be found in the AOC Process Manual.

The Project Manager will ensure that the Inspectors are suitable to conduct the task.

## 5.4 Guidelines for the Project Teams

It is in the best interest of CASA and the applicant to ensure that the assessment of the AOC application is conducted as smoothly and expediently as possible. The following must be observed:

- The CASA Project Teams and the applicant must maintain ongoing contact to keep abreast of any changes that impact the project.
- Inadequacies must be documented in CASA records and communicated to the applicant at the earliest possible stage.
- The applicant must inform CASA of any changes to the schedule of meeting the requirements, addressing deficiencies or submitting for the verification and testing



phase. CASA must remind the applicant that schedule changes can affect completion of necessary reviews and result in delays.

- Much of the communication between CASA and the applicant will be informal and verbal. Team members must ensure that any commitments or deficiencies are notified and confirmed in writing in a timely manner. The CASA Project Manager must be notified of these actions.
- CASA Project Manager must keep the CASA team members informed of negotiations and significant developments.
- Disputes must be arbitrated expeditiously. Where an agreement cannot be reached between CASA and the applicant, the matter, along with recommendations, must be documented and referred initially to the CASA Project Manager.

### 5.5 Project Planning

Factors affecting project timelines include:

- quality of the applicant's submissions
- the nomination of suitable key personnel
- applicant's ability to meet requirements such as aircraft inspections and proving flights
- the applicant's timely response to CASA advice on identified deficiencies
- availability of the applicant's and CASA's resources
- unforeseen circumstances.

In order for CASA to allocate resources for the timely assessment of the application, the applicant must submit their proposed project plan to CASA, outlining in detail the schedule by which they will make their facilities, key personnel, and aircraft available for CASA assessment and inspection.

Based on the information the applicant delivers, CASA will develop a project plan. CASA workflow management system may be used as an effective planning tool.

### 5.6 Project Monitoring

Project monitoring is an essential aspect of the project management. It covers both the areas of budget (estimate) and the tasks required to be completed by CASA.

It is the responsibility of the CASA Project Manager to monitor and review the project plan and to track the overall actual costs against the estimate. The CASA Project Manager must inform CSC of any cost variation likely to exceed the estimate.

A project diary must be used to track tasks, hours and who conducted the work. The purpose of the project diary is to ensure accurate final cost of the project and to be able to justify, in reasonable detail, the work that has been carried out by CASA. The project diary is to be maintained by the Project Manager (or by each Inspector for a multi-member team) on a regular basis.

An example diary is provided which is designed to work on a weekly basis, with a report sheet for each week of the project. For example, if the Inspector was speaking to the applicant on



the phone about the application, the Inspector would note the date, time, the task that the discussion was related to, the main details of the call and the time that call took.

The actual total hours spent by the team must be monitored against the total estimate, to determine if the original estimate is likely to be exceeded and a revised estimate needs to be issued by CSC.

## 6. Financial Viability Assessment

### 6.1 Financial assessments

[Section 28\(2\)](#) of the Act allows CASA to consider the financial position of an applicant in assessing the AOC application.

Financial assessment is conducted as part of the AOC application process. Applicants will be provided with an Applicant Assessment Form to be completed with the application. CASA will notify the applicant if additional information is required.

The financial position of the applicant is one of the matters that CASA takes into account assessing the competence of operators applying for an AOC.

Financial management of the applicant's organisation also is relevant to paragraph section 28(1)(a) and section 28(1)(b) of the Act .

Financial assessment procedures have been implemented to assist the CASA inspector when taking account of the financial position of AOC applicants.

### 6.2 Entry control requirements

Financial assessment is triggered by any application for an AOC involving passenger carrying RPT, passenger carrying charter or CASR Part 142 training. The type of assessment depends on the type of operation and aircraft in the application (see Table 2 and Table 3).

**Table 2: Initial Issue AOC**

Proposed Operation	Aircraft	Assessment
Aerial work only	Any	Nil
Passenger carrying charter	Hot air balloons or piston engine powered aircraft	Applicant
Passenger carrying charter	Turbine powered aircraft	CASA
RPT	Any	CASA

Table 3: AOC Variation

Proposed Operation	Aircraft	Assessment
Aerial work or freight only charter	To add passenger carrying charter using hot air balloons or piston engine powered aircraft	Applicant
Aerial work conducting CASR part 142 training	Simulator or aircraft type rating training	Applicant
Aerial work or freight only charter	To add passenger carrying charter using turbine powered aircraft	CASA
RPT or passenger carrying charter	To add first turbine engine aircraft	CASA
Any	To add RPT	CASA

The above list does not preclude CASA from requiring a CASA Financial Assessment to be conducted for any type of AOC application, any proposed operation or variation thereof.

A Financial Assessment may also be required where CASA has concern regarding an operator's capability of complying with the safety rules, or whether operations can be conducted or carried out safely, having regard to the nature of the AOC operations

Applications for an AOC must include a completed Financial Viability Applicant Assessment Form (Form 064 available on the CASA website). This form contains a summary of the cash flow forecast prepared by an applicant, together with an explanation of how the applicant will cover any forecast cash shortfalls.

### 6.3 Types of assessments

Financial assessments are conducted by review of:

- cashflow projections and additional information provided by the operator
- financial statements and other company information lodged with Australian Securities and Investment Commission (ASIC) by the operator
- financial risk reports from Dun and Bradstreet (D&B).

The assessment will seek to determine if the operator has shown adequate information or process exists to monitor resources required for compliance with the AOC.

Additionally:

- **Ownership:** The analysis of ownership is based on information lodged with ASIC. The purpose is to assess the level of financial risk relating to ownership structure.
- **Management and Control:** The analysis of management and control is based on information lodged with ASIC. The purpose is to:
  - identify any persons who may be able to influence strategic direction or day-to-day management of the operator, and
  - assess a level of financial risk associated with the management arrangements having regard to the nature and scale of operations.

- **D&B Risk Rating and Collections Activity:** D&B Payment Predictor Reports are based on a number of factors including late payments reported in surveys of creditors by D&B, court actions and company characteristics such as age of the company and corporate structure. Other information reported by D&B includes a number of court actions or collection activities.

### 6.3.1 Applicant assessment

The applicant completes the Applicant Assessment Form including a monthly cash flow forecast for the proposed operation over three years and identifies how they will cover any forecast cash shortfalls.

### 6.3.2 CASA assessment

The applicant conducts an applicant assessment and provides a more detailed cash flow forecast and additional data for assessment by CASA.

## 6.4 Information required for CASA assessments

If a CASA Assessment is required, AOC applicants will be asked to provide the following information:

- details of any person, company or entity or organisation that has potential to control or influence the day-to-day operations or the strategic direction of the applicant/AOC holder, including but not limited to:
  - the names of the companies/organisations/persons involved
  - shareholdings or equity interests (if applicable)
  - the names of directors, officers or persons involved
- the extent to which directors or officers in these organisations or companies or other persons can control or influence the operational direction and the day-to-day operations of the applicant
- any other information essential for CASA to understand the organisational and personnel inter-relationships impacting upon the applicant.
- a three year cash-flow forecast which discloses:
  - a breakdown of receipt and payment items with estimates for each item (Refer to Figure 3 and Table 4 for examples of items)
  - any relevant explanatory notes including details of projected annual flying hours
- if the AOC applicant is a corporate entity:
  - a copy of the latest financial statements (preferably audited) for the AOC applicant including profit and loss statement and balance sheet together with any accompanying notes or qualifications
  - if the corporate entity is part of a larger corporate group, a copy of the latest consolidated financial statements (preferably audited) for the group of companies including profit and loss statement and balance sheet together with any accompanying notes or qualifications

- If the applicant is not a corporate entity and is applying, for example, as a sole trader or member of a partnership:
  - details of any competing demands that will be placed upon the applicant's funds in the aviation operation. Some of the information may be already available and can be provided in some other form for example as part of an existing Business Plan.

CASA will verify that the applicant has identified significant types of safety-related expenditure and the respective amounts that the applicant intends to expend so as to comply with the safety requirements of the *Civil Aviation Act*, Regulations and Orders.

Applicants must indicate the basis upon which key forecast assumptions have been made, in particular whether any market research has been carried out, or other investigations made, into market demand, revenue and expenditure aspects of the proposed AOC operation, and if so, the findings.

### 6.5 Assessment Process

CSC, in consultation with the CASA Region Office, will determine if a CASA Assessment is required.

If required, the CASA Project Manager must involve the Senior Risk Assessor when forming the project team. The Senior Risk Assessor will liaise directly with the applicant and send a report on the assessment to the Project Manager.

For applications that only require an applicant Assessment, CSC will forward the Applicant Assessment Form completed by the applicant. The Senior Risk assessor will determine if the applicant self-assessment has been properly completed or if any further action is needed.

The senior advisor is contacted via [FVA@casa.gov.au](mailto:FVA@casa.gov.au).

### 6.6 Confidentiality of Information Provided

Financial and organisational information provided by an applicant will be treated 'Commercial-in-Confidence', and will not be disclosed to any other party for any other purpose, other than for any lawful purpose.

		Months													
CASH FLOW SUMMARY		Notes <sup>*</sup>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
VARIABLE	CASH INFLOW	A	25,000	26,000	30,000	30,000	20,000	26,000	25,000	25,000	26,000	28,000	29,000	30,000	320,000
	CASH OUTFLOW	B	12,500	13,000	15,000	15,000	40,000	15,000	12,500	12,500	13,000	14,000	14,500	15,000	190,000
	NET CASH FLOW	C = A - B	12,500	13,000	15,000	15,000	-20,000	11,000	12,500	12,500	13,000	14,000	14,500	15,000	130,000
FIXED	CASH INFLOW	D	100	100	100	100	100	100	100	100	100	100	100	100	12,000
	CASH OUTFLOW	E	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	102,000
	NET CASH FLOW	F = D - E	-8,400	-8,400	-8,400	-8,400	-8,400	-8,400	-8,400	-8,400	-8,400	-8,400	-8,400	-8,400	-100,800
TOTAL MONTHLY	NET CASH FLOW	G = C + F	4,100	4,600	6,600	6,600	-28,400	-7,400	4,100	4,100	4,600	5,600	6,100	8,800	29,200
CUMULATIVE	NET CASH FLOW	H	4,100	8,700	15,300	21,900	-6,500	-1,900	2,200	6,300	10,900	16,500	22,600	29,200	

\* See notes on next page.

Note by Applicant:  
Cash outflow for engine overhaul.  
Current bank balance is \$12,000 and our bankers have agreed to provide overdraft facilities for \$30,000.

Carry forward to next year Month 1

Figure 3: applicant Assessment Cash Flow Summary – Worked Example

Table 4: Applicant Assessment Cash Flow Summary – Explanation Notes

Note		<b>Explanation and examples of items included.</b> This is only a guide. It is recommended that applicants use items that best suit their operation.
A	VARIABLE CASH INFLOW	Receipts from sales which vary according to the hours flows each month for: <ul style="list-style-type: none"> <li>• Charter</li> <li>• RPT</li> <li>• Other</li> </ul>
B	VARIABLE CASH OUTFLOW	Payments which vary according to the hours flown. For example: <ul style="list-style-type: none"> <li>• Fuel</li> <li>• Repairs and maintenance</li> <li>• Casual pilots</li> <li>• Landing fees</li> <li>• Aircraft hire</li> <li>• Engine overhauls</li> <li>• Net amount of GST paid to ATO</li> </ul>
C	VARIABLE NET CASH FLOW	This is the amount available each month to cover fixed cost and is calculated by subtracting 'B' from 'A'.
D	FIXED CASH INFLOW	Sales receipts which do not depend on hours flown. For example: <ul style="list-style-type: none"> <li>• Management fees</li> <li>• Interest or rents Sale of aircraft</li> </ul>
E	FIXED CASH OUTFLOW	Payment which do not depend on hours flown. For example: <ul style="list-style-type: none"> <li>• Rent Interest</li> <li>• Aircraft purchase (interest, loan repayment)</li> <li>• Employees (wages, tax, superannuation, worker's compensation)</li> <li>• Insurance</li> <li>• Documents and subscriptions</li> <li>• Pilot training, renewals and endorsements</li> <li>• Equipment</li> </ul>
F	FIXED NET CASH FLOW	This is the net amount of fixed costs to be covered each month calculated by subtracting 'E' from 'D'.
G	TOTAL MONTHLY NET CASH FLOW	This is calculated by subtracting 'F' from 'C'.
H	CUMULATIVE NET CASH FLOW	This is calculated by adding the monthly amount in 'G' onto the cumulative amount from the previous month.





## 7. Carriers' Liability Scheme Applicable Legislation

### 7.1 Requirements

Section 28BC of the Act gives CASA the power to suspend or cancel an AOC if the holder has not complied the *Civil Aviation (Carriers' Liability) Act 1959* and is operating without appropriate insurance. If the holder is the Crown or an agent of the Crown, with equivalent financial arrangements to meet potential liability CASA cannot refuse to issue an AOC if the applicant does not hold the requisite insurance.

In cases where a CASA Inspector is aware of or suspects that an applicant intends not to comply with the Carriers' Liability requirements, the CASA Certificate Team Manager, through the Region Manager, must inform CASA's Legal Services Division and the Senior Manager, Safety Assurance.

### 7.2 Who to contact

More information on CLI requirements is available on the [CASA website](#) or by contacting CASA on 131 757 and asking for Carrier's Liability Insurance Section.