

| Granting/Varying an International Air Service Licence: Foreign International Airlines

Guidance for applicants

March 2025

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Preface

The purpose of this guidance document is to provide aviation sector participants with information on how to apply for an international air service licence for foreign international airlines, and how the licensing process will be carried out under the Civil Aviation Act 2023.

Scope

This document is intended to be used as a guide for reference and not taken as a substitute for the provisions in the Civil Aviation Act 2023 or relied on as legal advice.

Who this document is for

This document is prepared for the aviation sector participants who are interested in or are applying for an international air service licence.

Glossary of terms and abbreviations

Capacity	the service provided on a route or routes with reference to 1 or more of the following: (a) number of aircraft: (b) types of aircraft: (c) number of seats: (d) volume or weight of cargo: (e) any other differential basis
Licensee	the holder for the time being of a licence issued
Foreign international airline	an air transport enterprise of a country or territory other than New Zealand that— (a) is offering or operating a scheduled international air service; or (b) intends to offer or operate a scheduled international air service
Scheduled international air service	if a particular series of flights has been determined by the Licensing Authority to be a scheduled international air service, includes that series of flights
Licensing Authority	either the Minister of Transport or the Secretary for Transport, depending on whether New Zealand has an air services agreement (or similar arrangement) with the airline's country of origin

Introduction

Background and legislative framework

- The Civil Aviation Act 2023 (the 2023 Act) introduces a revised licensing framework for international airline applicants. This change reflects current regulatory thinking and a simplification of the overall airline licensing process within the transport system. Part 6 Subpart 1 of the 2023 Act sets out provisions for international air service licensing.
- The primary purpose of international airline licensing is to ensure that airlines are operating in accordance with relevant air services agreements and arrangements New Zealand has negotiated with bilateral or multilateral partners. The licence must conform with the capacity, route and traffic rights provisions of the relevant air services agreement/arrangements.
- Airlines must operate in accordance with their air service licence conditions and in accordance with New Zealand's civil aviation legislation. This can be monitored by the Ministry when the airlines, as a condition of their licence, file their schedules twice-yearly.

Foreign international airlines

- A foreign international airline is an air transport enterprise of a country or territory other than New Zealand that is offering, which includes code sharing, or operating a scheduled international air service or intends to offer or operate one.
- 5 A scheduled international air service is:
 - a particular series of flights has been determined by the Licensing Authority to be a scheduled international air service; and
 - in relation to a New Zealand international airline, includes a seventh freedom.
- In making a determination to be a scheduled international air service, the Licensing Authority may take into account the substantive nature of the flights, the manner of operation (including regularity and frequency) and whether the flights are open to the public.
- 7 Section 176 of the 2023 Act requires that anyone intending to carry on a scheduled international air service in New Zealand must apply for a licence.
- Section 178 of the 2023 Act specifies that either the Minister of Transport (the Minister) or the Secretary for Transport (the Secretary) is the Licensing Authority for foreign international airlines, depending on whether New Zealand has an air services agreement (or similar arrangement) with the airline's country of origin. The Minister is the Licensing Authority if New Zealand does not have an air services agreement with the foreign airline's country of origin. In all other cases, the Secretary is the Licensing Authority for foreign international airlines. Where the Minister is the Licensing Authority, the decision to issue a licence is made by the Minister based on advice from the Ministry of Transport (the Ministry). Where the Secretary is the Licensing Authority, these powers are usually exercised under delegated authority to a senior Ministry official.

Application for licence

- 9 Foreign international airlines planning to operate a scheduled international air service to or from New Zealand must apply for an international air service licence. Refer to Annex 1: Overview of the process for licensing foreign international air service for the end-to-end licensing process.
- The airline operator should inform the Ministry of their intent to initiate their licence application; submit a new application or vary their existing licence.
- An application for licence must be made to the Ministry and include the information and documents required by relevant legislation or specified by the Secretary as detailed in the table below.

Supporting information required	Evidence/information to provide		
Operational details	Provide details on,		
	 The route/s to be followed, including all places to be served on the route/s. The type of aircraft to be operated and, for passenger services, its seating configuration. How often the service will fly every week (frequency). Details of any code-share arrangements. The airline code and flight numbers to be used on each route. The date of intended start of the service. We may also ask you to submit a schedule of full passenger fares.		
Proof of safety and security certification	Provide a foreign air operator certificate issued by the Civil Aviation Authority (CAA). Airlines that intend to code-share, and not operate the own aircraft, do not need a certificate.		
Proof of insurance	Provide proof of insurance. The insurance must cover any liability that may arise out of or in connection with the operation of the services in respect of death or bodily injury, or of property damage.		
Consultation	Provide evidence of consultation with persons likely to be substantially affected by the licensing of the airline ¹ .		
Consistency with the main and additional purposes of the Act	A safe and secure civil aviation system is the main purpose of the Act. Provide a general statement and/or describe relevant policies of how the proposed services are consistent with this purpose.		

¹ Affected persons are likely to include affected airports, border agencies and the CAA.

Provide a general statement and/or describe relevant policies of how proposed services are consistent with the following additional purposes of the Act:

- To maintain, enhance, and promote a transport system that contributes to environmental sustainability, economic prosperity, inclusive access, healthy and safe people, and resilience and security.
- To promote innovation, effectiveness, and efficiency in civil aviation.
- To ensure that New Zealand's obligations under international civil aviation conventions, agreements, and understandings are implemented.
- To preserve New Zealand's national security and national interests.
- To take into account the adverse effects of civil of civil aviation on the interests of people, property, and the environment.
- The Ministry has developed a requirements checklist for applicants to complete and provide with their application. This checklist will allow the information provided to be easily accessible and reduce the time needed for assessment of the application. Refer to **Annex 2: Licensing requirements checklist**

Assessment of application for licence

- Once an application for licence is submitted, the Ministry will check and evaluate the licence application based on the information outlined above. The Ministry may request for additional information, if required.
- 14 The evaluation process includes:
 - I. checking that the rights exist under the relevant air services agreement
 - II. checking that the applicant qualifies to be granted rights under the relevant air services agreement, i.e., that it is an airline of the country it purports to be
 - III. checking that the applicant has contacted the CAA, if certification is necessary, and
 - IV. confirming that affected persons/representatives have been consulted²
 - V. ensuring the application is in compliance with any relevant international agreement, convention, or arrangement to which New Zealand is a party
 - VI. ensuring that the application is consistent with the main and additional purposes of the Act

² This is required to ensure the proposed service will be workable in practice. Affected persons are likely to include affected airports and the CAA.

VII. considering any other matter that the Secretary thinks fit in the public interest.

Decision- making process

Evaluation of the application and advice to the Licensing Authority

- Once an application for licence is submitted, the Ministry will review the application documents to decide whether to accept the application as presented, particularly, if it meets the legislative requirements provided in the Act³.
- If the Ministry has any concerns with the application which would lead it to not being accepted, we will ask applicants to provide additional information.
- 17 As part of the evaluation, a review may be undertaken to assess any compliance issues arising from the licence application.

Grant of licence

- After evaluating the information provided by foreign international airlines, the Licensing Authority may:
 - o refuse⁴ a licence application, or
 - o grant it wholly or in part, unconditionally or subject to conditions as they think relevant.
- In granting the licence, the Licensing Authority may specify the countries or territories that may be served, routes that may be followed, capacity limits and a date before which the service must commence.
- 20 The grant of licence will include the designation⁵ under the relevant air services agreement.
- 21 An international air service licence for foreign airlines takes effect from the date stated in the licence.
- Section 182 of the 2023 Act provides that licence may be granted for such term as the Licensing Authority considers appropriate in the particular case.
- 23 For foreign international airlines, the duration is normally indefinite.

³ Sections s175 to s182 and s186 to s187 of the Act.

⁴ The Licensing Authority will refuse to grant a licence if granting it would be contrary to the air services arrangements between New Zealand and the country designating the airline, or any other international agreement, convention or arrangement New Zealand is a party to, in accordance with section 180(2), Civil Aviation Act 2023

⁵ Designation is the official procedure when a government advises its bilateral partners of an airline that can exercise the traffic rights negotiated between them. To qualify for a scheduled international air service licence, you must have been designated by the government of the country or territory you are based in, in accordance with the relevant provisions of the air services agreement between that government and the New Zealand Government.

After a licence has been granted

Renewal of licence

- 24 If a licence has been granted for a specified term, foreign international airlines must apply to renew the licence at least 1 month before the licence expires. An application for renewal must be lodged with the Ministry at <u>airservices@transport.govt.nz</u>
- The renewal application must include the same information that is required when applying for a new licence. The Licensing Authority must apply the same criteria that are applied when an application is made for a new licence, with necessary modifications.
- The renewed licence starts from the day the previous licence expires. The licence may be renewed for an indefinite or specified term.

Varying terms and conditions of licence

- Once the scheduled international air service licence is in force, the Licensing Authority may amend or revoke any of the licence terms and conditions or add any new terms or conditions they think are necessary. The Licensing Authority may do so on their own volition or on application by the licensee.
- If the Licensing Authority initiates variation of a licence on their own volition, the foreign international airline must be given at least 21 days' notice in writing of this intention. However, if the proposed variation does not involve a restricted scheduled international air service, the licensee and the Licensing Authority may agree on a shorter period of notice.
- A foreign airline operator may apply to the Licensing Authority to vary its licence as per section 184 of the 2023 Act.
- The Licensing Authority will also give public notice of their intention to consider variation of a licence related to a restricted scheduled international air service, if any proposed variation involves:
 - I. a change or an addition to the route or routes to be operated; or
 - II. an increase in the capacity of the service to be provided.

The notice will specify a time, not less than 21 days from the date of the notice, during which the Secretary will receive written representations relating to the application.

- The variation process follows the same evaluation procedures as a new licence application with any necessary modifications.
- 32 If the Licensing Authority varies the terms or conditions of a licence that relates to a restricted scheduled international air service, the Licensing Authority must give a Gazette notice of the variation.
- If a proposed variation does not concern terms and conditions of the licence, for example, name change of an airline, the Ministry will work with the airline to amend their licence to ensure the continuance of the licenced air service.

Revocation and suspension process

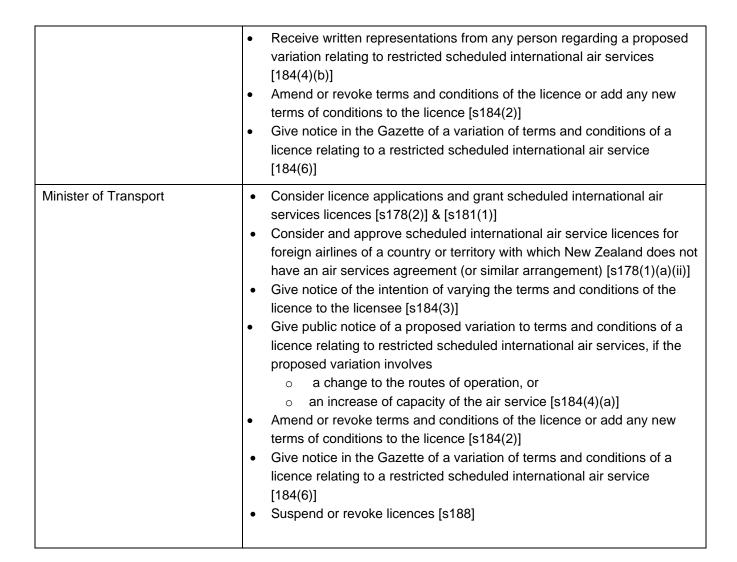
- The Minister may initiate the suspension or revocation of an airline's licence under section 188 of the 2023 Act, if they are satisfied that the airline has breached any licence conditions or failed to comply with any civil aviation legislation. The Minister may suspend the licence for a period that the Minister thinks fit.
- 35 The Minister may suspend or revoke a licence if:
 - I. the airline has not started the service authorised by the licence on the date specified in the licence
 - II. the Minister is satisfied that the airline is not carrying out the service authorised by the licence in a manner that meets the terms and conditions of the licence
 - III. the service authorised by the licence has been terminated
 - IV. the licence was granted under or in accordance with a convention, agreement, or arrangement between the New Zealand Government and the Government of any other country and:
 - that convention, agreement or arrangement has been terminated or has ceased to bind either government, or
 - circumstances have occurred or a condition has been met that means the Minister, or the New Zealand Government, can revoke the licence.

While a scheduled international air service is licensed

- We encourage airlines to regularly monitor their operations to be in compliance with the terms and conditions of their licence.
- 37 The Ministry will examine the twice-yearly schedule filings provided by the airlines as a condition of their licence. If the schedule goes beyond what is permitted in the licence, we will advise the airlines to either amend the schedule to conform with the licence or, if the relevant air services agreement permits, apply for a variation to the licence to incorporate the additional rights.
- 38 The Secretary may also require a licensee to make financial and statistical returns and statements as at specific dates, or in relation to specified periods, or on the occurrence of specified events, including on an ongoing basis, or from time to time.

Roles within airline licensing

Who	Role		
Foreign international airline	 Consult the Ministry for pre-application queries Submit a licence application if they wish to commence a scheduled international air service in New Zealand [s176(1)] Inform the Ministry of Transport of any relevant changes during the process of considering the licence application Review the application and if necessary, revise and resubmit it If there is a subsequent need for variation, apply for variation with the Ministry of Transport [s184(1)(b)(ii)] If necessary, revise and resubmit the variation. Apply for renewal of licence, if required [s183(2)] 		
Civil Aviation Authority	Provide feedback when consulted by the Ministry of Transport.		
Ministry of Transport	 Provide feedback on pre-application queries Upon receipt of an application, Ensure the application is in the manner requested by the Secretary [s177(b)] Verify if the information requested by the Secretary has been provided [s177(c)(ii)] Verify that the necessary rights are available under the relevant air services agreement/s [s180(1)(a)(ii)] Verify the applicant qualifies as an airline of its host country under the relevant air services agreement. Ensure the application is consistent with the main and additional purposes of the Act [s180(1)(a)(i)] Provide legal advice on the application to the Secretary, if required Consult with the CAA on matters related to licence applications Prepare advice to the Licensing Authority or delegate with a recommendation to grant or deny the licence Arrange publication of grant of licences in the New Zealand Gazette and on the Ministry's website [s181(4)] Confirm if affected persons/representatives have been consulted. 		
Secretary for Transport or delegate	 Consider licence applications and grant scheduled international air services licences [s178(2)] & [s181(1)] Renew a scheduled international air services licence [s183(1)] Give notice of the intention of varying the terms and conditions of the licence to the licensee [s184(3)] Give public notice of a proposed variation to terms and conditions of a licence relating to restricted scheduled international air services, if the proposed variation involves a change to the routes of operation, or an increase of capacity of the air service [s184(4)(a)] 		



Principles for how the Ministry will carry out its licensing functions

Partnership

The Ministry believes in working in partnership with airline operators. This approach fosters mutual respect and understanding, and it ensures that both parties work towards the common goal of safe and efficient airline operations. The Ministry provides guidance and support throughout the licensing process, and it encourages open and honest communication.

Transparency

The Ministry is committed to transparency in all its dealings. It provides clear and comprehensive information about the licensing process, including the requirements, timelines, and evaluation criteria. It also maintains an open line of communication with airline applicants, providing timely updates and feedback.

Efficiency

The Ministry strives for efficiency in carrying out its airline licensing functions. It has streamlined the application process to minimise inconvenience. It also uses technology to facilitate communication and document submission.

Fairness

The Ministry ensures fairness in the airline licensing process. It applies the same standards and criteria to all applicants.

Compliance

The Ministry is committed to ensuring airlines meet their obligations under the 2023 Act. We evaluate and process applications thoroughly to ensure that airline operators comply.

Continuous Improvement

The Ministry believes in continuous improvement and will invest in training and development to enhance the skills and knowledge of its staff.

Where to go for more information?

Related documents

 Civil Aviation Act 2023 <u>www.legislation.govt.nz/act/public/2023/0010/latest/whole.html#LMS49346</u>

Ministry of Transport website

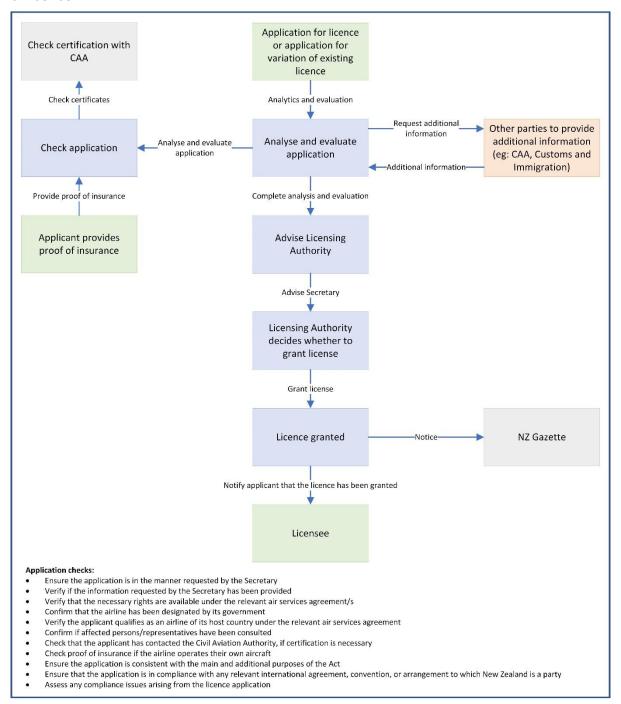
https://www.transport.govt.nz/area-of-interest/air-transport/civil-aviation-act-2023-comes-into-force/airlines/scheduled-international-air-services-licences

Contact us

Get in touch for further information on scheduled international airline licensing at airservices@transport.govt.nz

Annex 1: Overview of the process for licensing foreign international airlines

The chart below captures an overview of the licensing process from the application and the grant of licence.



Annex 2: Licensing requirements checklist

Scheduled international air service licensing – Foreign International Airline

Requirements checklist

Completing the Requirements Checklist will reduce the time needed for the Ministry of Transport (Ministry) to assess international air service licence applications by:

- allowing the Ministry to easily find and review the information required by the Act, and
- providing transparency to the applicant on the Ministry's review of the licensing information.

Please complete all the sections. If a section is not applicable to the operation, please note this. If, for your operation, compliance is required for something not listed in the checklist, please add it and note the basis for the requirement.

The Ministry recommends that, after submitting the completed Requirements Checklist along with the application, you maintain an up-to-date version of the Requirements Checklist to assist with ongoing compliance.

Airline information

Airline:	[insert legal name/s] [insert address of service and postal address] [insert email address]	
Primary contact person for this application:	Name: Role: Phone: Email:	

Document submission information

Documents Submitted:	[list documents]
Date submitted:	[enter date application submitted]

Schedule of International Air Service licensing information requirements

In each section below, please provide both:

- page/paragraph numbers where the information requirement has been addressed in the documentation you have provided, and
- how the information requirement has been addressed.

INFORMATION REQUIREMENT Requirements based on the Civil Aviation Act 2023 and other information required by the Ministry of Transport		OPERATOR Page references and comments	MINISTRY OF TRANSPORT Review & Comments (for MoT internal use)
Ref #	1. Operational details		
1(a)	The route/s to be followed, including all places to be served on the route/s.	[Please specify]	
1(b)	The aircraft type to be operated and, for passenger services, its seating configuration.	[Please specify]	
1(c)	How often the service will fly every week (frequency).	[Please specify]	
1(d)	Details of any code-share arrangements.	[Please specify]	
1(e)	The airline code and flight numbers to be used on each route.	[Please specify]	
1(f)	The date of intended start of the service.	[Please specify]	
	2. Proof of safety and security certification		
2(a)	Foreign air operator certificate issued by the Civil Aviation Authority.	[Please provide evidence]	
	3. Proof of insurance		
3(a)	The applicant must provide proof of insurance. The insurance must cover any liability that may arise out of or in connection with the operation of the services in respect of death or bodily injury, or of property damage.	[Please provide evidence]	
	4. Airline designation [For Ministry use only]		
4(a)	Formal advice of the other country of an airline intending to operate services pursuant to the agreement.	[Please provide evidence. Designation is set out in the air services agreement and can be through a notice sent through diplomatic channels or by communication from	

INFORMATION REQUIREMENT Requirements based on the Civil Aviation Act 2023 and other information required by the Ministry of Transport		OPERATOR Page references and comments	MINISTRY OF TRANSPORT Review & Comments (for MoT internal use)
		the Ministry of Transport to its counterpart in the other country.]	
	5. Consultation		
5(a)	Consultation with persons likely to be substantially affected by the licensing of the airline (affected airports, border agencies and the CAA).	[Please provide evidence of consultation]	
	6. Consistency with the main and additional	al purposes of the Act	
6(a)	A safe and secure civil aviation system.	[Please provide a general statement and/or describe relevant policies of how your operation is consistent with this purpose of the Act]	
6(b)	Maintain, enhance, and promote a transport system that contributes to environmental sustainability, economic prosperity, inclusive access, healthy and safe people, and resilience and security.	[Please provide a general statement and/or describe relevant policies of how your operation is consistent with this purpose of the Act]	
6(c)	Promote innovation, effectiveness, and efficiency in civil aviation.	[Please provide a general statement and/or describe relevant policies of how your operation is consistent with this purpose of the Act]	
6(d)	Ensure that New Zealand's obligations under international civil aviation conventions, agreements, and understandings are implemented.	[Please provide a general statement and evidence of meeting relevant civil aviation conventions, agreements or understandings]	
6(e)	Preserve New Zealand's national security and national interests.	[Please provide a general statement and/or describe relevant policies of how your operation is consistent with this purpose of the Act]	
6(f)	Take into account the adverse effects of civil of civil aviation on the interests of people, property, and the environment.	[Please provide evidence of consultation and describe relevant policies]	

Ministry of Transport Use

Assessed By:

Work Request:

Date received: DD / MM / YYYY Date accepted: DD / MM / YYYY

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Guidance for applicants

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