

Flying Start

Establishing a domestic airline in New Zealand

The demise of Qantas New Zealand has resulted in a flood of airlines expressing interest in operating domestically in New Zealand. So what's involved in setting up an airline?

For a start, airlines need to state an intention to operate, which is as simple as filling out a form. After that, things quickly become more complex.

CAA discusses the requirements with the new airline, and they will be asked to pay the estimated cost of an Air Operator Certificate under Civil Aviation Rules, Part 119 *Air Operator – Certification*. The money is charged up front to cover CAA should the airline go no further. Depending on the size of the airline, this could be \$50,000 upwards.

CAA then interviews the senior airline staff – such as the chief executive, managers of flight operations and ground support, training, maintenance, quality assurance and security as well as the occurrence investigator. Those people have to be "fit and proper" individuals to do the job. An airline could fail to get off the ground at that stage – a chief executive with insufficient knowledge of the Civil Aviation Rules could hardly ensure their airline complies with them. In addition, the senior staff will need to meet experience requirements in operational flying and management.

The airline then has to prepare an exposition – the collection of manuals covering each area of operation, detailing how it will run its business in line with the Civil Aviation Rules. The exposition covers areas such as flight operations, maintenance, quality assurance, training, security of aircraft, carriage of dangerous goods, passengers and cargo, and occurrence investigation. The detail must be tailored to suit the operation. Depending on the size of the airline, one exposition area alone could run to several volumes.

The aim of the exposition is to gain a Part 119 Air Operator Certificate, which requires several rules to be addressed.

The airline management will have to consider how their aircraft will be maintained to meet the requirements of Civil Aviation Rules, Part 145. This could be part of the airline organisation or could be contracted out. Either way,



Photograph courtesy Paul Harrison

aircraft maintenance engineers must be licensed or supervised by a licensed engineer. Pilots operate under separate rules and must be licensed appropriately for the aircraft they are flying.

The airline may carry out training under Part 119. Again, it might contract the work out to a Part 141 certificated organisation – or gain its own Part 141 certificate.

Under Part 108 *Air Operator Security Programme*, aircraft must be kept secure when unattended. The airline must also have procedures for unattended baggage – especially when it makes it on board and a passenger does not. The rule also covers restraining passengers in case of an incident of aircraft endangerment. Procedures for the carriage of dangerous goods are required by Part 92.

A consultant might write the exposition, but it will require extensive liaison with the senior airline staff to ensure it fits the intended procedures. It must also demonstrate to the CAA that the operation has what it takes to ensure all Civil Aviation Rules are met and that the airline will be able to continually and consistently meet the required safety standards.

The CAA assesses the exposition and then checks the operation against the written policies and procedures in it. A larger airline flying aircraft over 30 seats will also require certification under Part 119/121, while airlines flying medium aircraft of 10 to 30 seats will require Part 119/125 certification.

The work required can make certification a time consuming and exacting process for both the airline and the CAA.

If satisfied with the standards, normally a six-month Part 119 Air Operator Certificate will be issued by the Director of Civil Aviation. Five months after the initial issue, the airline is given a compliance inspection to see how it is working and given the chance to brush up any procedures it needs to. If still satisfied with standards, the Director will issue a two-year Part 119 Air Operator Certificate. This forms the basis of future surveillance of the airline and is what it is audited against.

In addition, the airline company must be registered in New Zealand and, long-term, be flying New Zealand-registered aircraft.

If the airline is flying a new type not on the New Zealand Civil Register – such as a B777 or Airbus – there will be extra costs associated with "first of type" certification. If the aircraft is twin-engine and operating on extended twin operations (ETOPS), there are further requirements to be met, but these are only necessary for international flights.

While the senior staff are on board almost from the outset to help with the exposition, the majority of staff – pilots, ground crew, flight attendants and check-in staff – are employed further down the track. When they are trained, the airline is set to fly. ■