

**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**

INTRODUCTION

1. The *Arrangement between the Australian and New Zealand Governments on Mutual Recognition of Aviation-Related Certification* ('Mutual Recognition Arrangement') provides for the reciprocal recognition by Australia and New Zealand of certain civil aviation safety certifications issued by their respective aviation safety authorities, under the Australia New Zealand Aviation (ANZA) Mutual Recognition Principle set out in that Arrangement.
2. Both Australia and New Zealand have amended their civil aviation law to provide for mutual recognition of aviation safety certifications in accordance with the Mutual Recognition Arrangement. Under those laws, an Air Operator Certificate (AOC) with ANZA privileges issued by the aviation safety authority of one country will authorise the holder of that AOC to operate aircraft in the other country without needing to hold an AOC issued by the aviation safety authority of the other country.
3. The Mutual Recognition Arrangement provides that the aviation safety authorities of Australia and New Zealand will enter into a separate accord setting out agreed operational procedures for facilitating the implementation of the ANZA Mutual Recognition Principle.
4. Accordingly, the aviation safety authorities of Australia and New Zealand - the Civil Aviation Safety Authority of Australia (CASA) and the Civil Aviation Authority of New Zealand (CAA NZ) (referred to in this Operational Arrangement from time to time as 'the Parties' collectively and 'CASA' and 'CAA NZ' individually) - have entered into this Operational Arrangement as an expression of their shared intention.

INTERPRETATION

5. In this Operational Arrangement:
 - (a) ***civil aviation law*** means the *Civil Aviation Act 1988* (Cth), the *Civil Aviation Act 1990* (NZ), and any regulations, rules, orders and subsidiary instruments made under those Acts, as in force from time to time;
 - (b) ***effective regulation criteria*** means the conditions for the issue of an Australian AOC with ANZA privileges set out in paragraph 28B (1)(d) of the *Civil Aviation Act 1988* (Cth) and the conditions on a New Zealand AOC with ANZA privileges set out in section 11G (4)(d) to (g) inclusive of the *Civil Aviation Act 1990* (NZ);

- (c) **Home Regulator**, in relation to the holder of, or an applicant for, an AOC with ANZA privileges, means the regulator which has issued, or is considering the application for, the relevant AOC with ANZA privileges (in the case of an Australian AOC with ANZA privileges, CASA; in the case of a New Zealand AOC with ANZA privileges, the Director of Civil Aviation New Zealand);
- (d) **Host Regulator**, in relation to the holder of, or an applicant for, an AOC with ANZA privileges, means the regulator, other than the Home Regulator (in the case of an Australian AOC with ANZA privileges, the Director of Civil Aviation New Zealand; in the case of a New Zealand AOC with ANZA privileges, CASA);
- (e) **Temporary Stop Notice** means an Australian Temporary Stop Notice or a New Zealand Temporary Stop Notice as provided for in the civil aviation law;
- (f) other terms have the same meaning as in the civil aviation law.

GENERAL RESPONSIBILITY FOR SAFETY REGULATION

6. The Parties acknowledge that, consistent with civil aviation law and the international obligations of Australia and New Zealand under the Convention on International Civil Aviation (the Chicago Convention), the Home Regulator is responsible for the safety oversight of air operators to which it has issued AOCs with ANZA privileges, in accordance with its own laws and procedures for doing so.

GENERAL COMMUNICATION AND REVIEW

7. In addition to specific obligations on the Parties set out in this Operational Arrangement in relation to consultation or the giving of notice, the Parties will communicate generally in relation to mutual recognition of aviation safety certifications at all appropriate times and in a free, open and responsive manner.
8. The Parties will confer at least once a year regarding mutual recognition of aviation safety certifications and the operation of this Operational Arrangement.

ELIGIBILITY

9. An applicant for an AOC with ANZA privileges is eligible for consideration for the grant of an AOC with ANZA privileges if the applicant is either a designated airline or a SAM airline, or both a designated airline and a SAM airline, for the purposes of the Agreement between the Government of New Zealand and the Government of Australia relating to Air Services done at Auckland on 22 August 2002.

ISSUE AND AMENDMENT OF AOCs WITH ANZA PRIVILEGES

10. The Parties acknowledge that civil aviation law requires the Home Regulator to consult with the Host Regulator where the Home Regulator is considering an

application for the issue or amendment of an AOC with ANZA privileges, about whether the conditions referred to in the law relating to an AOC with ANZA privileges are satisfied by the applicant.

11. The Home Regulator will give notice of receipt of an application for the issue or variation of an AOC with ANZA privileges to the Host Regulator.
12. The Parties will exchange information regarding the rules of the air and any special operational requirements (for example, desert operations and operations in mountainous terrain) relevant to the privileges and authorisations applied for by a particular applicant, and that the Host Regulator applies to AOCs issued for operations within the host country, within thirty days of the receipt of the notice referred to in paragraph 11.
13. Pursuant to civil aviation law, in deciding to grant an AOC with ANZA privileges, the Home Regulator must be satisfied that the applicant for an AOC with ANZA privileges is able to comply with the relevant rules of the air and any special operating requirements of the Host Regulator referred to in paragraph 12.
14. The Home Regulator will:
 - (a) endorse an AOC with ANZA privileges with the following statement:

"This certificate is issued for the purposes of the ANZA mutual recognition agreements"; and
 - (b) indicate the extent of the privileges or authorisations on the AOC in writing on the face of the certificate or in the conditions or operations specifications attached to the certificate.
15. The Home Regulator will give the Host Regulator notice of:
 - (a) the issue of any AOCs with ANZA privileges (including any conditions or operations specifications attached to them);
 - (b) any amendments to AOCs with ANZA privileges; and
 - (c) any suspensions, cancellations or revocations of AOCs with ANZA privileges;within seven days of any such action.

TEMPORARY STOP NOTICE

16. The Parties acknowledge that civil aviation law:
 - (a) provides for the issue of a Temporary Stop Notice by the Host Regulator where the Host Regulator considers that continued operation by the holder of an AOC with ANZA privileges would constitute a serious risk to civil aviation safety in the host country; and

- (b) requires the Host Regulator to give notice to the Home Regulator which is then required to consider the safety risk.
17. The Parties will consult with each other regarding the circumstances which gave rise to the issue of a Temporary Stop Notice.
18. The Parties acknowledge that the Host Regulator must revoke the Temporary Stop Notice when the Home Regulator gives notice that it has made a decision in response to the issue of the Temporary Stop Notice in accordance with subsection 28E (2) *Civil Aviation Act 1988* (Cth) or section 11C *Civil Aviation Act 1990* (NZ) as relevant.

TRANSFER OF REGULATORY OVERSIGHT OF HOLDER OF AOC WITH ANZA PRIVILEGES

19. Where, having regard to the effective regulation criteria, one Party considers that the holder of an AOC with ANZA privileges is more appropriately regulated by the other Party, the Parties will consult each other and the holder of the AOC with ANZA privileges, with a view to either remedying the situation or putting in place arrangements to change the country of certification of the holder in accordance with the statutory provisions governing this.

CONSULTATION ON SAFETY ISSUES

20. Except as provided in paragraph 16, where the Host Regulator has identified a safety issue in relation to the holder of an AOC with ANZA privileges, it will give notice of that safety issue to the Home Regulator. The notice will be accompanied by any information relevant to the issue which is held by the Host Regulator.
21. Except as provided in paragraph 16, the Parties will consult each other and the holder of the AOC with ANZA privileges to seek a resolution of the safety issue. The duration of the consultation will be reasonable in all the circumstances.

EXCHANGE OF SAFETY-RELATED INFORMATION

22. Subject to this Operational Arrangement and relevant laws, both Parties will exchange safety-related information which relates to the holders of AOCs with ANZA privileges, their respective responsibilities under civil aviation law, this Operational Arrangement, and mutual recognition of AOCs generally.
23. Subject to relevant laws, a Party may provide information relating to any particular holder of an AOC with ANZA privileges at any time if, in the opinion of the Party, the interests of civil aviation safety require the other Party to be provided with the information.
24. A Party may request, in writing, specific safety-related information from the other Party which is relevant to its obligations under this Operational Arrangement, civil aviation law and arrangements relating to mutual recognition. The Party receiving the request will acknowledge the request and will (subject to overriding legal obligations) provide the information requested within a reasonable time.

PRIVACY AND CONFIDENTIALITY

25. Where, under this Operational Arrangement and in accordance with relevant laws, one Party provides information to the other Party, including but not limited to personal information, findings from safety monitoring activities and evidence gathered in the course of an investigation, it will clearly identify whether that information is sensitive or confidential and the nature of that sensitivity or confidentiality. Subject to relevant law, the Party giving the information may also impose a limitation on the use or disclosure of the information by the receiving Party.
26. The Party receiving information will handle the information in accordance with relevant laws and in a manner having regard to its confidentiality or sensitivity, including, if necessary, allocating a confidentiality or national security classification to it in accordance with its laws and procedures for doing so or recording on the face of the information a statement regarding its confidential nature. A Party receiving personal information will not deal with personal information contrary to the privacy laws applying to the Party. Subject to relevant law, the Party receiving information will not use or disclose the information contrary to any limitation imposed on its use or disclosure by the Party giving the information.

EXCHANGE OF INFORMATION REGARDING SAFETY SYSTEMS

27. Both Parties will exchange information in relation to mutual recognition of AOCs arising from changes in each other's safety systems, including but not limited to changes in civil aviation law and responsibilities under the international obligations of Australia and New Zealand in accordance with the Chicago Convention, within 30 days of any such changes.

COMMUNICATION WITH INDUSTRY AND THE PUBLIC

28. The Parties will cooperate in the drafting, amendment and ongoing review of guidance material in relation to mutual recognition of AOCs for the information and assistance of the aviation industry and the public generally.
29. The Parties will consult, as appropriate, in relation to any public statement proposed to be made by one or both of them in relation to mutual recognition of AOCs.

ASSISTANCE IN REGULATORY MATTERS

30. The Parties will provide assistance to each other in the investigation and assessment of safety issues, including technical matters relating to the safety regulation of holders of AOCs with ANZA privileges in their respective jurisdictions, insofar as their resources allow. Assistance will be provided in accordance with the laws applicable to each Party.

ASSISTANCE IN INVESTIGATIONS AND CRIMINAL ENFORCEMENT

31. The Parties will assist each other in the prevention, investigation and prosecution of offences against the civil aviation law relating to the safety regulation of holders of AOCs with ANZA privileges in their respective jurisdictions, insofar as their resources allow. Assistance will be provided in accordance with the laws applicable to each Party.

ASSISTANCE IN CIVIL AND CRIMINAL LEGAL PROCEEDINGS

32. Where one Party requests the other Party to provide a witness in court proceedings in relation to a regulatory matter or an offence against the civil aviation law, relating to the safety regulation of holders of AOCs with ANZA privileges, it is intended that the requesting Party will pay the reasonable expenses of that witness.

DELEGATIONS

33. The Parties acknowledge that civil aviation law provides for the delegation of powers and functions by either Party to employees of the other Party but, having regard to the Home Regulator's responsibility for safety regulation of operators as set out in paragraph 6, each Party will consult with the other Party prior to delegating powers and functions or making recommendations to delegate powers and functions.

RESOLUTION OF DIFFERENCES

34. Where one Party considers that there is a difference between the Parties in relation to this Operational Arrangement which has not been resolved through the ordinary communication and consultation procedures set out in this Operational Arrangement, it may give notice to the other Party of that difference.
35. A Party receiving a notice of a difference from the other Party will acknowledge the notice in writing as soon as practicable.
36. Where notice of a difference has been acknowledged, the Parties will, within seven days of that acknowledgement, agree on:
- (a) a process to resolve the difference, including points of escalation; and
 - (b) a time frame for resolution of the difference.
37. The Parties will use their best endeavours to resolve the difference to their mutual satisfaction.

COSTS

38. Subject to paragraph 32, each Party will bear its own costs associated with performance of its obligations under this Operational Arrangement.

NOTICE AND CONTACT OFFICERS

39. Any notice under this Operational Arrangement will be given, in writing, to the contact officer of the other Party.
40. Any consultations under this Operational Arrangement may be initiated by the relevant Party giving notice of the matter to the contact officer of the other Party.
41. Written notice includes communication by e-mail, facsimile or any other electronic means.
42. The contact officers for the respective Parties are:

| CASA | CAA NZ |
|---|--|
| Group General Manager Air Transport Operations Group Civil Aviation Safety Authority GPO Box 2005 Canberra ACT 2601 AUSTRALIA Phone +61-7-3318 7200 Fax +61-7-3318 7290 Mobile +61-402 019 747 e-mail patrick.murray@casa.gov.au | General Manager Airlines Civil Aviation Authority PO Box 31 441 Lower Hutt NEW ZEALAND 5040 Phone +64-4-560 9422 Fax +64-4-569 2024 Mobile +64-27-451-2563 e-mail allent@caa.govt.nz |

AMENDMENT AND TERMINATION OF THE OPERATIONAL ARRANGEMENT

43. The Parties may, after consulting with their respective Departments or Ministries, amend this Operational Arrangement at any time by mutual agreement in writing. The amendment will come into effect at the time agreed to by the Parties.
44. Either Party may, with the agreement of its Minister, terminate this Operational Arrangement by giving the other Party twelve months notice of its intention to do so (or such other time as may be agreed by the Parties).

COMING INTO EFFECT

45. This Operational Arrangement shall come into effect on the latest of the commencement dates of the amendments to the civil aviation law of Australia and New Zealand relating to mutual recognition.

SIGNED this 16th day of March 2007.

(Signed)

(Signed)

Bruce Byron
Chief Executive Officer
and Director of Aviation Safety
Civil Aviation Safety Authority
Australia

Russell Kilvington
Director of Civil Aviation
Civil Aviation Authority of New Zealand