

CIVIL AVIATION AUTHORITY

# Briefing to the Incoming Minister

November 2020

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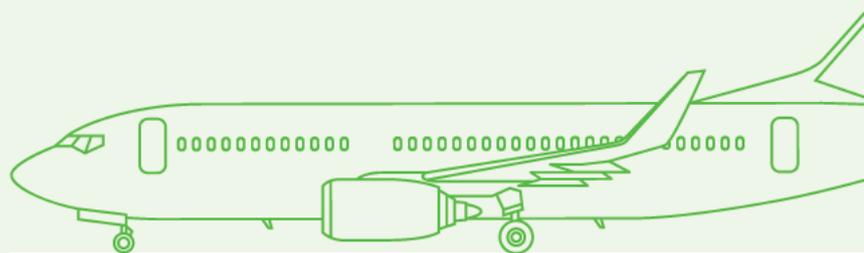
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# Introduction from the Acting Chief Executive and Director of Civil Aviation

The Civil Aviation Authority (CAA) and our Aviation Security Service (Avsec) are going through an extraordinary period of change as we strive to become a more modern public service organisation with a respectful, diverse and high performing workforce who help to keep New Zealand's skies safe and secure everyday.

Aviation is critical to New Zealand's economy, global connections and reputation. It provides vital connections for the movement of people and goods around the country and around the world. Over 99% of people arriving in New Zealand do so by air and \$8 billion of our exports are flown out of the country annually (pre-COVID-19).

Maintaining safety and security is critical for avoiding harm. A safe aviation system promotes travel, tourism, trade, and the enjoyment of aviation as a sport and recreational pursuit for New Zealanders and visitors alike.

The last year has brought many challenges to New Zealand and our aviation community. Avsec now plays a key role in keeping New Zealand safe from COVID-19 by helping to manage security at many of the managed isolation and quarantine facilities across the country. We will continue to play this role for the medium-term as border measures remain in place. Our Avsec teams have served in these new roles with dedication, professionalism, and enthusiasm, often at great personal sacrifice.

COVID-19 has also served as a timely reminder for the regulatory side of our organisation that we can always find more innovative and efficient ways of working, while still providing appropriate safety and security oversight of the aviation system. Working from home forced us to rethink the way we conduct audit activities, certification, and engage with our stakeholders on a range of issues.

We must continue embracing new ways of working and find opportunities to reduce burdens on the sector at a time when many operators are under severe strain. We must focus our efforts on the highest risk operators and sectors by better utilising the regulatory intelligence we develop. We must also be well prepared to support the aviation sector as it recovers.

## Improving our culture and stakeholder relationships

The past few months have been difficult for our people, with the release of the Ministerial Review into our organisational culture in May 2020 exposing a number of weaknesses in our culture, complaints about bullying and harassment, and how these were handled by our leadership. In response we have established a comprehensive culture change programme to implement all 31 of the Review's recommendations, and to drive the necessary changes to embed a respectful, inclusive and high-performing workplace culture. The programme is called Te Kākano, which reflects the idea that if a seed falls in the right place, it will germinate, and a new seedling will sprout.

The changes we make internally will have a welcome impact on our external relationships too, as we form more respectful and consistent relationships with the aviation sector – particularly when it comes to our front-line certification, monitoring, and inspection teams. I have high expectations of our staff – that they will treat each other, and those whom we regulate respectfully, fairly, and will always strive to communicate their actions and decisions well.

## Ensuring our tools and infrastructure remain fit for purpose

Information management and technology systems are crucial to the work we do and our ability to deliver regulatory and security services. The ability to source, analyse, and utilise comprehensive data on safety risks at a participant, sector and system level are critical to the CAA's regulatory oversight function.

We are seeking to replace our core aviation regulatory platform, the Aviation Safety Management System (ASMS), with EMPIC-EAP. ASMS is outdated and is no longer fit for purpose, which poses significant business continuity and critical aviation safety risks. EMPIC-EAP will allow us to better perform all core regulatory activities and functions, and will help us to mitigate these risks and ensure New Zealand's skies remain safe and secure.

EMPIC-EAP was set to be funded using a Crown loan of up to \$12 million, alongside a further \$4.4 million of our existing capital reserves. Due to the impacts of COVID-19, we are no longer in a financial position to proceed with this project. Therefore, we must consider alternative funding options that will allow this project to commence as soon as possible given the critical safety risks associated with it. We are continuing to work alongside the Ministry of Transport and the Treasury to consider alternative funding options.

## Regulating a rapidly changing sector

Although the challenges facing New Zealand's aviation system have changed markedly following COVID-19, issues we were facing before the pandemic still need to be addressed. The growth of new and emerging technologies such as drones and other remotely piloted aircraft requires us to take a different regulatory approach. We also still have more work to do to support New Zealand's helicopter sector to continue lifting its safety performance.

We will struggle to meet the evolving needs of the aviation sector and help to mitigate the challenges it faces if we do not review our own systems and processes to ensure we are focused on the right sector risks and regulatory challenges. It is likely to be several years before our revenue from our usual source of levies, fees, and charges returns to pre-COVID levels, so we will need to continue reviewing the way we do things to ensure our operations remain efficient, and we continue to function as a truly modern and risk-based regulator.



**Shelley Turner**  
Acting Chief Executive and  
Director of Civil Aviation

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Although the challenges facing New Zealand's aviation system have changed markedly following the advent of COVID-19, issues we were facing before the pandemic still need to be addressed.

## Appointment of the new Chief Executive Officer and Director of Civil Aviation

Recruitment for a permanent replacement for this role is well advanced. Shortlisted candidates have been interviewed and final assessments are now taking place. We hope to complete the appointment process in November 2020.

# The Authority

We are a Crown Entity established under the Civil Aviation Act 1990 (the Act).

The Authority (as it is collectively referred to) delivers activities to improve the safety and security of civil aviation through two functional arms:

- **the Civil Aviation Authority – Te Mana Rererangi Tūmatanui o Aotearoa (CAA)** – responsible for performing safety and security regulatory functions, and
- **the Aviation Security Service – Kaiwhakamaru Rererangi (Avsec)** – responsible for delivering aviation security services at New Zealand’s six security-designated airports – Auckland, Wellington, Christchurch, Dunedin, Queenstown and Invercargill.

Figure 1 shows an overview of the Authority’s governance structure and output classes.

The Authority’s objective as established in the Act is to:

***‘Undertake its safety, security, and other functions in a way that contributes to the aim of achieving an integrated, safe, responsive, and sustainable transport system.’***

The Authority’s goal is:

*Safe and Secure Skies*   
– to help New Zealand fly.

The CAA and the Director of Civil Aviation (the Director) have a range of duties and functions focused on maintaining and enhancing aviation safety and security. They include:

- Promoting aviation safety and security in New Zealand and beyond, in accordance with New Zealand’s international obligations.
- Investigating and reviewing civil aviation accidents and incidents in its capacity as the responsible safety and security authority.

The Director has independent statutory powers to exercise control of entry and exit from the civil aviation system. These include:

- Acting in the public interest to enforce the provisions of the Act, Civil Aviation Rules (the Rules), and other related regulations.
- Granting aviation documents under the Act to operate in the system.
- Monitoring adherence within the civil aviation system to relevant regulatory requirements.

The Ministry of Transport (MoT) also contracts the Authority to develop the Rules on behalf of the Minister of Transport.

Avsec is jointly responsible, with the New Zealand Police, for the prevention of offences against the Aviation Crimes Act 1972 at security-designated airports. It does this by:

- Screening and searching passengers and bags on all international flights and on domestic flights by aircraft with a seating capacity of greater than 90 passengers.
- Screening and searching persons, vehicles and goods entering the security enhanced or sterile areas at security designated airports.
- Conducting airport security patrols.

To the maximum degree possible – consistent with the overarching public interest in safety and security – the Authority aims to perform its functions in a way that enables aviation activity and supports the New Zealand economy. We contribute to the wider Government Transport Sector goal of ‘a transport system that maximises economic and social benefits for New Zealand and minimises harm’.

## The Authority’s Strategic Objectives

The Authority has three key strategic objectives:

1. Improved sector safety performance.
2. To deliver an effective and efficient security service.
3. To support a vibrant aviation system.

Our Output Classes (as shown in Figure 1) are aligned to these objectives. These objectives support the ultimate goal of ‘safe and secure skies to help New Zealand fly’.

FIGURE 1

# The Authority Who we are and what we do



## Who we are



**Established**  
in 1992 as a Crown entity  
under the Civil Aviation Act 1990.



**Responsible**  
to the Minister of Transport



**Governed**  
by a five-member board  
("the Board")



**Primary objective**  
is safety and security  
We deliver on this objective  
through the two functions of the  
Authority.

## What we do



**Regulatory Function**  
The aviation safety and security  
regulatory function delivers four  
core outputs:



### Policy and regulatory strategy

- Ensure the civil aviation system is robust and responsive.
- Maintain safety and security standards.
- Provide a regulatory toolkit for interventions.



### Outreach

- Support and encourage civil aviation participants to adopt desired aviation safety and security behaviours.
- Influence and change attitudes and behaviours.



### Certification and licensing

- Control entry and exit to the New Zealand civil aviation system.



### Surveillance and investigation

- Monitor compliance with safety and security standards.
- Undertake inspections and audit participants.
- Administer the provisions of the Health and Safety at Work Act 2015 and Hazardous Substances and New Organisms Act for aircraft in operation.



**Security Service Function**  
The security service function delivers the  
following core outputs:



### Security service delivery

- Screen passengers and baggage at security-designated airports (on all domestic flights of more than 90 seats) and all departing international flights.
- All passengers screened for prohibited items and dangerous goods at security-designated airports.
- Screen airport workers at security-designated airports.
- Conduct perimeter patrols at security-designated aerodromes and navigation facilities.
- Provide a maritime security response on high-level threat situations affecting cruise ships or their passengers.

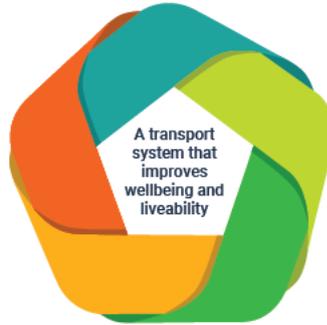
# Our strategic framework

To avoid harm to New Zealanders and our visitors we must maintain a safe and secure aviation system. A safe and secure aviation system also promotes travel, trade, and the enjoyment of aviation as a sport and recreational pursuit. Aviation is critical to New Zealand’s economy through the global connections it enables and the reputation it has.

Aviation is a part of a wider transport system that moves people and goods over land, sea and air, and therefore connects people with each other, and with opportunities for growth, health and wellbeing. The Government’s intention is for a transport system that improves wellbeing and liveability for all New Zealanders; putting people at the heart of all we do.

This intention has been expressed in the five outcomes for the New Zealand transport sector, shown alongside. Achieving these outcomes will improve intergenerational wellbeing and the quality of life in New Zealand’s cities, towns and provinces. The framework is closely tied into the Living Standards Framework established by the Treasury, the Government’s Health and Safety at Work Strategy 2018-2028, and the expectations set by the Minister of Transport.

## Transport Outcomes Framework



### Healthy and safe people

Protecting people from transport-related injuries and harmful pollution, and making active travel an attractive option.

### Environmental sustainability

Transitioning to net zero carbon emissions, and maintaining or improving biodiversity, water quality, and air quality.

### Resilience and security

Minimising and managing the risks from natural and human-made hazards, anticipating and adapting to emerging threats, and recovering effectively from disruptive events.

### Economic prosperity

Supporting economic activity via local, regional, and international connections, with efficient movements of people and products.

### Inclusive access

Enabling all people to participate in society through access to social and economic opportunities, such as work, education, and healthcare.

The transport sector outcomes align with the Authority Strategic Framework

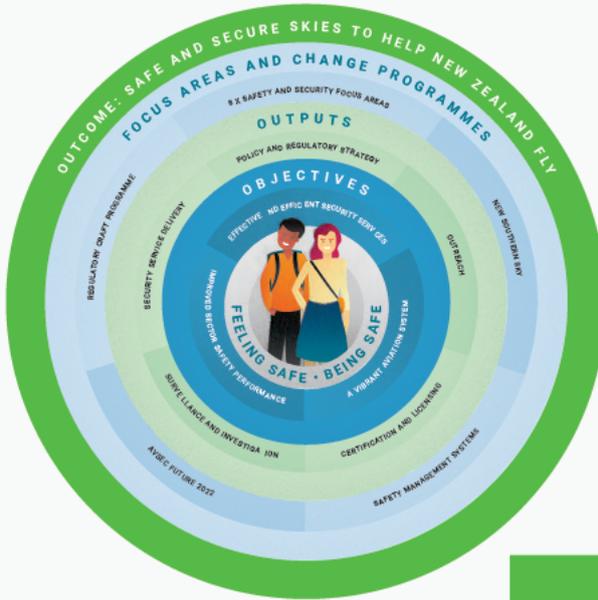
### Minister’s expectations

In 2019/20 the Minister of Transport set the expectation that the Civil Aviation Authority contribute towards:

-  Regulatory performance
-  Civil aviation safety and security
-  Regional development
-  Cross-government collaboration
-  Supporting the government’s goals for modernising the aviation system

# Authority Strategic Framework

# Benefits



We expect that delivering on these commitments will provide these benefits to New Zealand

## Impacts

**Feeling safe** – air travellers in New Zealand feel ‘extremely’ or ‘very’ safe and secure.\*

**Being safe** – low and decreasing numbers of deaths and serious injuries in the aviation system.

## Objectives

**A safe aviation system** – we target areas of risk within the aviation system, and work to diminish these risks, improving the overall performance of the system.

**Effective and efficient security services** – we continue to effectively identify and mitigate security threats, while making sure passengers and goods can travel smoothly.

**A vibrant aviation system** is one that makes a strong contribution to the wellbeing of New Zealanders, through enabling quality of life, and supporting a strong economy.

## Outputs

Our five output classes are set out in Figure 1.



## Safe and secure people

Through decreasing number of accidents, deaths and injuries in the sector, as well as increasing confidence in the safety and security of the system.



## Minimised environmental impact

Through reduced greenhouse gas emissions.



## Positive economic impact

Through minimising the aviation related barriers for movement of people and goods.



## Improved resilience and security

Through reduction of risk. This includes the adoption of safety management systems (SMS) throughout the sector, and few or zero security incidents in the civil aviation system.

\* Measured through a biennial Colmar Brunton survey

# Our place in the global aviation system

Civil aviation is a globally interconnected system governed by the International Civil Aviation Organization (ICAO), of which New Zealand is a member. ICAO is a United Nations specialised agency, established in 1944 to manage the administration and governance of the Convention on International Civil Aviation (the Chicago Convention). The Authority is New Zealand's designated agency to manage all technical interactions with ICAO regarding safety and security matters.

ICAO works with 193 Member States and industry organisations to reach consensus on international civil aviation Standards and Recommended Practices (SARPs). ICAO strives to support a safe, efficient, secure, economically sustainable, and environmentally responsible international civil aviation system. ICAO Member States incorporate SARPs into national legislation to ensure that their international civil aviation operations and regulations conform to global norms. Consequently, adoption of these 'global practices' enables the global aviation network to operate safely and reliably in every region of the world.

The Act empowers the Minister of Transport to make Rules to implement New Zealand's obligations under the Chicago Convention. The Act also states that the Rules shall not be inconsistent with ICAO standards to the extent adopted by New Zealand.

## International comparison and ICAO audits

ICAO audits all Member States on their level of compliance against SARPs on a cyclic basis. The audits are focussed on States' compliance with its international treaty law obligations for aviation safety and security compliance and oversight.

New Zealand is scheduled for both a safety and security on-site audit in 2021. Both will be a key focus for the Authority and we have already started preparing given the importance of these audits for our international reputation.

## Safety

ICAO's Universal Safety Oversight Audit Programme-Continuous Monitoring Approach (USOAP-CMA) is a systematic and objective assessment of a State's safety oversight system. It assesses whether the State has implemented the critical elements of a safety oversight system, as well as implementation of the SARPs and other procedures and guidance material.

USOAP-CMA audits take a continuous monitoring approach. States are expected to continuously update their compliance status and conduct ongoing online self-assessments through an online portal. ICAO also undertakes a periodic on-site audit such as what is proposed for New Zealand in 2021.

The overall audit results in an Effective Implementation (EI) score. The EI score is important because it indicates to other States how well we conform to ICAO's SARPs, and can be used to form a view on how safe or reliable an individual State's civil aviation system is.

ICAO last fully audited New Zealand in March 2006, resulting in an EI score of 83.59%. A USOAP-CMA audit was scheduled for December 2016. However, the November 2016 earthquake-related closure of the Authority premises over that period resulted in just one audit area being assessed (accident and incident investigation at the Transport Accident Investigation Commission (TAIC) office). That limited scope audit increased New Zealand's overall EI score to 85.63%.

### ICAO EI Score (As at July 2020)

New Zealand	85.63%
Australia	95.02%
OECD Average	86.95%
World Average	68.78%
Asia-Pacific Average (APAC)	65.87%

Our EI score can influence our ability to enter into bilateral recognition agreements with other States (such as Australia, the United States, Singapore, Canada, Europe, etc). These agreements can help ease the regulatory burden on New Zealand aviation organisations operating in, or using services from, those countries.

Consequently, a downgrade or stagnation of New Zealand's EI score could have a negative impact on New Zealand's reputation as a safe and secure place to operate. It might also have an adverse effect on the reputation of New Zealand-made aviation products overseas.

The Authority has some concerns that in recent years there has been insufficient priority assigned at a State-level to adopting ICAO SARPs in New Zealand legislation and rules. As a result, New Zealand's level of compliance is beginning to lag behind that of States it generally compares itself to such as Australia (95.02%), the United Kingdom (94.27%), and Canada (95.1%). Despite this, New Zealand's EI score remains substantially better than those seen in the Asia-Pacific region (65.87%) and slightly below the OECD average (86.95%).

## Security

ICAO uses the Universal Security Audit Programme-Continuous Monitoring Approach (USAP-CMA) to determine the status of implementation of ICAO security SARPs by States. It is conducted by a separate area of ICAO than that involved in the USOAP-CMA. A USAP-CMA audit has also been scheduled for New Zealand and will be completed in June 2021 subject to COVID-19 border restrictions lifting.

The security audit scope will include the full range of New Zealand's aviation security legislation, regulation, policies, practices and procedures and will assess those for compliance against the corresponding ICAO standards. This will include review of not only Avsec but also our independent security regulatory role, as well as State level aviation security threat and risk assessment and operational response functions involving other government agencies.

## Influencing the international arena to benefit New Zealand

Maintaining effective international engagement is important for New Zealand as global connectivity increases, new technology emerges, and the push towards greater harmonisation of rules and regulations for international travel and trade continues.

Our delegation to administer New Zealand's international civil aviation obligations and interests sees us coordinating New Zealand's input into ICAO conferences and meetings, managing the flow of incoming State letters and coordination of technical agreements with other States.

We are signatory to several bilateral and multilateral agreements with other States that support a commitment to harmonise aviation standards, rules, procedures, and processes, where this is in New Zealand's best interest.

The Authority is developing an International Engagement Strategy to better guide our international work, which will include how we:

- Work with other States and regulators to influence changes that will benefit aviation growth, safety and security.
- Seek mutual recognition arrangements in areas where it can help reduce the regulatory burden for New Zealand companies operating, or wanting to operate, overseas.
- Keep abreast of developments overseas to ensure we take a consistent approach to how we regulate where appropriate.
- Work with other States and regulators to share information, knowledge, expertise, and resources for mutual benefit.

We are reconsidering our approach to international engagement to reflect the COVID-19 environment, where in the foreseeable future face-to-face meetings with our overseas colleagues will not be possible.

## Supporting our Pacific neighbours

The Authority provides technical advice and assistance on request to many Pacific States through the Pacific Aviation Safety Office (PASO) to build safety and security capacity and expertise across the region.<sup>1</sup> Much of the Authority's work in the Pacific is funded by the Ministry of Foreign Affairs and Trade (MFAT), specifically the security-focused work of the Authority's Principal Aviation Security Advisor (Pacific Islands). We also provide technical support on request and run training programmes.

More information on our security assistance work in the Pacific can be found on page 21.

<sup>1</sup> PASO was formed as a result of the Pacific Islands Civil Aviation Safety and Security Treaty signed by, the Cook Islands, the Federated States of Micronesia, Kiribati, Nauru, Niue, Palau, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu, and Vanuatu. New Zealand, Australia and Fiji are observer Members.

# Building a respectful and inclusive workplace culture

Our people are at the heart of everything we do. Our workforce connects us with the aviation sector around New Zealand. To achieve our strategic objectives, we must have a workforce that is well trained, and feels valued, safe, inclusive and respected. To attract talent to our organisation we must offer a workplace that makes people want to join us.



In September 2019, the Minister of Transport directed MoT to undertake a Ministerial Review (the Review) of the organisational culture of the Authority under section 132 of the Crown Entities Act 2004. This Review was initiated following media reports published in June 2019 that contained allegations of bullying, harassment, and poor workplace culture within the Authority.

The Review focused on three areas:

- Reviewing reports of bullying and harassment to understand how complaints were addressed.
- Conducting a workplace culture assessment.
- Ensuring the appropriate policies, procedures and prevention controls are in place for managing bullying and harassment.

The final report of the Review was publicly released in May 2020, and found significant deficiencies in the Authority's workplace culture, leadership, and processes for handling workplace complaints.

The Board is committed to the implementation of all the Review's 31 recommendations through a revamp of all practices to ensure the health, safety and wellbeing of Authority staff.

To give effect to this, a culture change programme (Te Kākano) has been established implement the Review's recommendations and to deliver meaningful and sustained change.

The Board has an ongoing role in Te Kākano and is responsible for reporting on progress against the Review recommendations to the Minister of Transport monthly. While Te Kākano is aimed at driving a positive and healthy workplace culture for all Authority staff, it will also support the behavioural changes that are needed to ensure we improve our interactions with the industry we regulate.

Also separately, in September 2019 Queens Counsel David Laurenson was commissioned to undertake an independent investigation into allegations of bullying, inappropriate behaviour, and conduct within Avsec following several complaints by staff. Mr Laurenson has conducted separate investigations into several complaints and will conclude the remaining investigations over the next few months.

## Te Kākano will be delivered in two phases:

### Phase 1 (remainder of 2020)

Develop and implement a work programme and roll out the following initiatives.

- Set up a Culture Change Programme governance structure to ensure accountability of the Board and Leadership that includes full participation of staff and unions **[Completed]**.
- Undertake a workplace engagement survey to establish a baseline against which progress can be assessed using a measurement and evaluation framework **[Completed]**.
- Support staff with a dedicated organisational psychologist to ensure safety of staff most affected by inappropriate behaviour (both current and historical) **[Completed]**.
- Contract an external provider to set up an interim complaints process to give staff a safe place to raise complaints until we can establish a fit-for-purpose and trusted in-house system that addresses gaps identified in the Review **[Completed]**.
- In partnership with unions and staff, re-draft Authority values and the Code of Conduct.
- Roll out nationwide respect and inclusion workshops so that all staff have a common language throughout the Authority to address unacceptable behaviour.
- Identify and agree a timeline to review all relevant policies, procedures and strategies in line with the Review recommendations.

### Phase 2 (2021)

Implement programme deliverables and embed into business as usual frameworks and functions including:

- Appointment of welfare officers.
- Implementation of a new complaints process.
- Re-drafting all relevant policies, procedures, and strategies.
- Training and education of all staff on new policies and procedures, Code of Conduct and values.
- Refreshing all recruitment, induction and exiting processes to reflect the new health and safety strategy, procedures and policies, Code of Conduct, and values.
- Continuation of workplace surveys to assess progress against measurement and evaluation framework.

# Creating a safer aviation system

A key principle of New Zealand's aviation regulatory framework is that everyone shares a responsibility for safety and security. We ensure that aviation participants meet the standards set by Parliament and the Minister of Transport, and to ensure the aviation system is safe and secure.

## Improving safety performance

Overall, safety in New Zealand's civil aviation system has improved over the past twenty years. Since 1998, both the number of aviation accidents and fatal accidents continue to decline, as new aircraft technology is utilised, regulatory interventions more effectively target risk, and participants in the system implement better ways to detect and minimise risks.

The public air transport accident rate, which covers passenger transport in large, medium, and small aeroplanes and passenger transport in helicopters continues to decline. The current rate of 0.68 accidents per 100,000 hours flown in the passenger transport sector represents a reduction of more than 60% since 2011. The accident rate is also steadily declining in the commercial non-passenger carrying sector- where more accidents tend to occur.

Whilst we have had success to date with the improvement of safety performance, we are continuing to further improve this. This is primarily by taking a hazard identification and risk-management approach, in line with ICAO's Safety Management System (SMS) mandate.

Historically, aviation operators in New Zealand were required to have a Quality Management System (QMS) which focused on internal quality assurance procedures. A QMS does not however, ensure that aviation operators are identifying and eliminating all safety risks. To meet new ICAO requirements, the Rules require all commercial operators to be equipped with a SMS. This is a significant change in approach to the way we regulate safety and how operators are expected to manage safety risks.

An SMS expands upon QMS requirements by applying a risk-based approach to the structure, responsibilities, processes, and procedures of an organisation. A proactive risk and safety management programme assists operators to identify and manage potential hazards and risks before they can impact safety. The training, awareness and systems developed in an SMS provide the tools to both prepare for and recover from negative safety outcomes, and to develop strategies to defend an organisation against their occurrence in the first place. All operators and organisations are required to have an SMS by February 2022.

More information on SMS is outlined in Appendix 2.

## Safety and security focus areas

To further improve the overall safety performance of the New Zealand aviation system, the Authority has identified eight safety and security focus areas, based on analysis of safety performance data, sector-based intelligence and international trends and research. These focus areas address particular issues and improve the performance of specific parts of the aviation system, driving the work of the Authority on a day-to-day basis.

### The safety and security focus areas are categorised as:

**Critical** – there is an unacceptable risk to people's safety and wellbeing; an active work programme is in operation that is prioritised over other work.

1. **The helicopter sector:** The helicopter sector has a higher accident rate than other aviation sectors, which has the potential to damage New Zealand's reputation for having safe and secure skies, as well as incurring unnecessary social costs.

**Active management** – there is high potential risk; an active work programme is in operation.

2. **Airborne conflicts:** Airborne conflicts between aircraft have the potential to lead to mid-air collisions and resulting fatalities and harm.
3. **Security threat levels and responses:** In the event of a potential, emerging, or actual aviation security crisis, timely and coordinated decision making and operational responses are required to ensure the New Zealand aviation system remains safe and secure.
4. **International air cargo security:** The security of the international air transport system and the continued flow of high value export cargo by air to international markets depends on the continued existence of a robust and trusted air cargo security system.
5. **Smart Security:** Thinking smarter to improve security outcomes, enhanced passenger facilitation and optimised utilisation of equipment and staff.

**Monitoring / maintained** – we are monitoring activities and the impacts of previous work programmes.

6. **Loss of control in flight:** Where an aircraft loses control in flight due to human, mechanical or other reasons, leading to serious harm incidents/accidents.
7. **Runway excursions:** Where an aircraft departs the runway unexpectedly, a critical phase of flight, with a high risk of serious harm.
8. **Queenstown operations:** Queenstown is an important tourist destination and aviation plays an important part in the “Queenstown experience”. There is a need to ensure the various flying activities are conducted safely.

The dynamic nature of aviation requires the Authority to be agile and resilient. As we intervene in the system, the behaviours of those within it, and the issues giving rise to safety concerns, will change. The Authority reviews these focus areas regularly, and they are likely to change throughout the life of the Authority’s 2019-2024 Statement of Intent.

We will advise you of any changes to the focus areas, and the reasons for those changes.

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Overall, safety in New Zealand’s civil aviation system has improved over the past twenty years. Since 1998, both the number of aviation accidents and fatal accidents continue to decline.

# Delivering efficient and effective aviation security for New Zealanders

Aviation security in New Zealand and globally is more dynamic than ever before. Intelligence indicates that aviation's attractiveness as a terrorist target will not change in a post COVID-19 world. It is important that our aviation security system is positioned to anticipate, proactively adapt and respond to this ever-changing environment. Doing so will ensure the safety and security of travellers and the wider public and to support a functional, efficient and resilient aviation sector.

As an operational function of the Authority, Avsec is the State provider of aviation security services at New Zealand's six security-designated airports.<sup>2</sup> Avsec's functions and activities are described in Figure 2.

Unlike other countries, New Zealand has a single national provider of aviation security services (like the Transport Security Administration (TSA) in the United States). Under the Act the provision of aviation security services is contestable, however successive

governments have exercised a provision in the Act enabling the Minister of Transport to Gazette a Notice specifying that only Avsec may provide security services.

Avsec is required to hold an aviation document in accordance with the Rules. This is issued by the Director through independent powers. The Authority provides regulatory oversight of Avsec's operations. Various reviews since 2008 have proposed that these constitutional arrangements create potential conflicts of interest at both a Board and Chief Executive (CE) level.

At a high-level these arrangements mean the Board is required to appoint a CE and to provide aviation security services. However, the CE exercising independent powers as the Director could frustrate the provision of those services by suspending or revoking the aviation document held by Avsec. It also creates a barrier to create a fully integrated and efficient organisation.

Potential conflicts are recognised and managed to the greatest degree possible within current legislation, and no adverse outcomes have arisen to date. The Civil Aviation Bill will address this issue by removing the requirement for Avsec to hold an aviation document. Avsec's monopoly to provide aviation security services is intended to remain in place.

To put Avsec's publicly visible work – passenger screening – in context, the table below shows some key measures for the 2019/2020 financial year:

## AVIATION SECURITY ENVIRONMENT SCREENING STATISTICS (JULY 2020)

	2019/2020	2018/2019
Estimated number of international passengers screened	5.4 million	6.9 million
Estimated number of domestic passengers screened	5.7 million	7.7 million
Estimated total number of passengers screened	11.1 million	14.6 million
Average screening time for domestic passengers	125 seconds	157 seconds
Average screening time for international passengers	148 seconds	160 seconds

<sup>2</sup> Auckland, Wellington, Christchurch, Dunedin, Queenstown and Invercargill Airports

FIGURE 2: AVSEC'S FUNCTIONS AND ACTIVITIES



### Screening of passengers and crew

Checking passengers and crew for explosives, weapons, dangerous goods and other prohibited items.



### Screening of baggage

Including checked-in stowed baggage and cabin baggage at security-designated airports for all international flights and domestic flights larger than 90 seats.



### Explosive detection dogs

Checking aircraft, cabin and stowed baggage, unattended or suspicious items, terminal facilities, lounges, VIP events, cargo, carparks, etc.



### Searches

- Passengers.
- Crew.
- Cargo.
- Baggage.
- Aircraft.
- Airport workers.
- Airport and navigation facilities.
- Vehicles.



### Screening of bulk and duty-free goods

Goods entering sterile areas at security-designated airports.



### Screening of non-passengers (airport workers)

Checking for weapons, explosives and other prohibited items.



### Engagement, research and staying informed and current

- Reviewing, inquiring and staying abreast of aviation security techniques, systems, processes, practises, procedures, devices and technology.
- Working with domestic and international aviation security and border agencies and industry bodies.



### Providing security services to New Zealand Police

Supporting New Zealand Police in their functions and duties (e.g. bomb threat call-outs, route and vehicle clearances, behavioural detection).



### Security patrols

Airport facilities including:

- Terminal buildings.
- Navigation facilities.
- Gate lounges.
- Check-in counters.
- Airside and tarmac.
- Carparking.
- Airport perimeters.
- Baggage halls.



### Co-operating with New Zealand Police, crown agencies and airport operators

For the purpose of supporting the delivery of aviation security services and achieving greater efficiencies and joint agency outcomes.



### Maritime security response

Maintaining preparedness to provide security to maritime sector in response to a security threat.



### Behavioural detection

Observing and analysing peoples' behaviour at airports to identify crimes against aviation (Currently at Auckland Airport only).



### Operating the airport identity card system

# Responding to events and building a resilient and secure aviation system

Over the past three years, the Authority has responded quickly to significant threats to the safety and security of New Zealanders. With the changing nature of threats it is important that the Authority contributes to building the resilience of the transport system and is prepared to respond to events.

We play an active role when MoT's Transport Response Team (TRT) is stood up to respond to events. We also take part in All-of-Government exercises to test planning arrangements for major terrorist incidents and contribute to providing an assurance that major security operations will be effective.

Our involvement in exercises such as the All-of-Government GUARDIAN and RESOLUTION provide a valuable way to test our preparedness to respond from a service delivery and regulatory perspective and contribute to building a more resilient transport system.

Following the **15 March 2019 Christchurch terror attacks**, the Authority responded rapidly to ensure the safety and security of the traveling public. The Director instructed Avsec to undertake security screening for aircraft departing Christchurch airport with more than 30 passenger seats. This was a prudent risk management response to New Zealand's heightened national terrorism threat level and to keep the travelling public safe and secure. This new level of screening was implemented within 7.5 hours.



Over the past three years, the Authority has also played a significant role in the national response to natural disasters; most recently the Whakaari/White Island volcanic eruption in December 2019 and COVID-19.

Following the **Whakaari/White Island eruption**, the Authority played a critical role in the national response by putting an airspace restriction in place immediately. We have also played an important support role in the ongoing Worksafe investigation of the event. We are now working with Whakaari/White Island airspace operators to seek assurances that their operations can commence safely should the island be reopened.

The extraordinary events surrounding **COVID-19** have had a significant impact on the global aviation sector and our aviation sector has experienced a very rapid reduction in activity.

The Authority has played a crucial role in the national response to COVID-19, initially by providing the assistance of Aviation Security Officers (ASOs) to support Police during the initial lockdown period.<sup>3</sup> ASOs are still deployed to support the All-of-Government COVID-19 response at managed isolation and quarantine facilities across the country. As of October 2020, ASOs are continuing to provide assistance at 21 managed isolation and quarantine facilities across the country.

<sup>3</sup> Under section 80 (ea) of the Act, Avsec can provide security support services to the Police when requested by the Commissioner of Police.

We also rapidly responded to the situation brought about by COVID-19 by undertaking a range of measures (including authorising regulatory relief in a number of areas where safety or security was not compromised). This included:

- Providing emergency directives and Rule exemptions to provide relief from certain requirements of the Rules without compromising civil aviation safety. Extensions to licence and rating currency requirements for aircrew and air traffic service personnel were also implemented.
- Extending SMS implementation dates for operators from 1 February 2021 to 1 February 2022.
- Extending Airport Identity Card expiry dates to reduce the impact of staff reductions of struggling airport stakeholders, while decisions about sustainability of those businesses were made.
- Remaining regularly in touch with our international partners to understand their safety and security responses, and where we can work together to align these responses.
- Undertaking urgent work in conjunction with other border agencies, to submit a paper to Cabinet to address the forecast deficit in funding for delivery of services, due to a significant amount of Authority funding being derived through fees, levies and charges.
- Assisting Ministry of Health officials with Avsec officers interviewing arriving passengers going into isolation and developing and maintaining a data management system to support these activities. This work has now been moved to the Ministry of Business, Innovation and Employment (MBIE).
- Ensuring the continued airworthiness of New Zealand's aircraft fleet by issuing a Continuing Airworthiness Notice to allow for essential maintenance to be carried out on aircraft during Alert Level 4.

We are now conducting a review of our response to COVID-19. This review will focus on providing assurance over the approach to decision-making, the identification of risks, and mitigation measures.



**reduction in total commercial flight hours during Q2 2020**

(in comparison to Q2 2019)



**reduction in total air transport activity during Q2 2020**

(in comparison to Q2 2019)



**8**

**emergency regulatory relief measures**

provided to the sector during COVID-19 Alert Levels 3 and 4 (1 Emergency Directive, 1 Continuing Airworthiness Notice and 6 exemptions from Civil Aviation Rule requirements)

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Our ongoing response to the impacts of COVID-19 must acknowledge that the aviation sector will likely look very different over the coming years.

### Recovering from COVID-19 will take time

Despite the fluctuation in COVID-19 Alert Levels across the country, there are positive signs that the domestic aviation sector is starting to recover, although uncertainty remains about the rate of this recovery.

Activity in the international sector is still significantly reduced and activity in the domestic sector (which is dependent to a large degree on international activity) is also more subdued than normal. Until border restrictions can be lifted, we can expect that the sector will be inhibited from recovering to pre-COVID-19 levels of activity for some time. In addition, uncertainty exists as to the extent that the international tourism market will rebound given the global recession brought about by the pandemic.

The post COVID-19 environment presents different safety risks and demands that must be addressed in a timely manner by the Authority. Our focus therefore needs to be helping airlines prepare for recovery and supporting the domestic tourism market.

As previously mentioned, aviation's enduring attractiveness as a target for terrorist attack will not change in a 'post COVID-19' world and that the need for ongoing effective security service delivery will remain a feature of our international and domestic aviation safety and security environment. This acknowledges that an environment of low passenger movements against the baseline does not necessarily equate to lowered aviation safety or security concerns.

Our ongoing response to the impacts of COVID-19 must acknowledge that the aviation sector will likely look very different over the coming years. We too must adapt and position ourselves so that we can remain an effective regulator and aviation security provider, of a system that is experiencing unprecedented change and uncertainty.

We are mindful of the need to find ways, where possible, to reduce potential burden on the sector while it is under significant pressure. We also need to consider the new and emerging safety risks that will arise in an environment where operators are facing extreme financial pressures.

At least in the safety area, COVID-19 has not in any way reduced our regulatory activity, and in some cases has increased it. The downturn in air traffic and tourism has presented aviation participants with opportunities to initiate new aviation operations (e.g. small tourism operators moving to undertake other operations such as agricultural work). This will require us to be flexible in how we undertake our core regulatory oversight functions, as well as retaining capability and appropriate capacity as the aviation system evolves and recovers.

Given the uncertainty around the short, medium and long term impacts of COVID-19 on the aviation sector, we will continue to regularly monitor the sector's rate of recovery and make adjustments as needed to ensure we perform our regulatory and security functions in an effective and efficient way.

### Building resilience

The resilience of New Zealand's transport system has been severely tested in the last decade, particularly by natural disasters. The transport system also needs to be resilient to other threats including potential energy shocks, cyber-attacks, terrorism, and accidental damage to vital infrastructure. It is important that we continue to play our part to help build a resilient transport system by taking advantage of opportunities to improve security and address vulnerabilities within the aviation system.

### Cyber-security

With continued advances in technology and the growing levels of complexity in aviation systems, the safety, security and resilience of the global aviation system is becoming increasingly reliant on effective cyber-security controls. The need for effective cyber-security controls is common across a wide range of sectors and is by no means unique to aviation.

There are no mandatory requirements or controls that aviation organisations must adopt from either ICAO or the New Zealand Government in relation to cyber-security. We are considering what might be appropriate measures that could be implemented and will engage with MoT and the security community once our analysis has progressed.

## Supporting aviation security for our Pacific neighbours

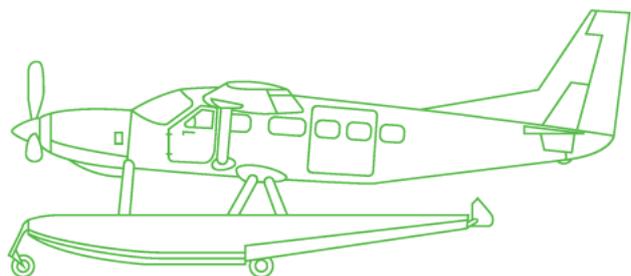
The Pacific Aviation Security Capacity Programme (PASCP) commenced in 2003 to assist Pacific Island Countries (PICs) with improving aviation security. Following the 9/11 terror attacks, MFAT set up contestable funding mechanisms for core New Zealand Government agencies who provided security capacity support to PICs and to implement security related activities, initiatives or projects.

Initially the PASCP provided support to five PICs who had direct air services into New Zealand. Following requests for assistance from other PICs, it was decided to align the aviation security program with those PICs who are signatory to the Pacific Island Civil Aviation Safety and Security Treaty (PICASST), which has alignment to PASO. PICs include the Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Palau, Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

The PASCP has several opportunities over the next few years to build aviation security in PICs. Some initiatives set to commence include:

- Nine PICs will be recipients of new security screening systems that are comparable to what is currently being operated in New Zealand, Australia, and the United States. Existing screening systems, which are basic conventional screening systems are between 12 – 16 years old and are now obsolete. New security systems will be enhanced with Dual Imaging Explosive Detection Systems and Explosive Trace Detector Systems. Operational and technical training will be provided, and a comprehensive service and maintenance agreement over seven years to ensure PICs have an appropriate level of support is included as part of this initiative.
- Replacement of Airport Identity Card systems across PICs to ensure alignment with ICAO Guidance Material, and to include tamper-proof security features.

Work on the PASCP in a COVID-19 environment has resulted in assistance to PICs being provided remotely where possible whilst border restrictions are in place. The Authority will continue supporting the management of the programme through the Principal Advisor Aviation Security (Pacific Islands) role until at least 30 June 2022. This position is funded by MFAT.



# The resources and tools we need to be effective

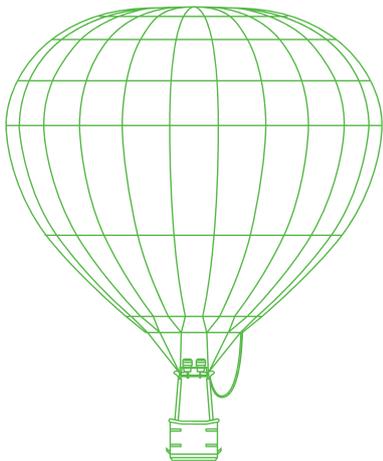
The Authority has made good progress towards improving its regulatory practice and performance, strengthening relationships with stakeholders and ensuring we deliver effective and efficient aviation security services. However, we still have more to do as we continue to become a more effective regulator and security provider.

## Current Funding

The Authority's primary source of funding comes from fees, levies and charges paid by airlines on a per-passenger basis. However, the impact of COVID-19 has had severe impact on the Authority's revenue streams derived from fees, levies and charges.

Like other border agencies, the Authority is facing unavoidable revenue pressure as the impacts of COVID-19 have significantly reduced revenue in the short to medium term. The Authority has had to use its capital reserves to fund its operations.

In April 2020, Cabinet approved a \$196.4 million (\$152.4 million for Avsec, \$44 million for the CAA) liquidity facility to enable the Authority to meet its payroll and supplier obligations as they fall due. This liquidity facility is a multi-year appropriation to cover operating expenditure to 30 June 2021 that is unable to be covered by revenue due to the impact of COVID-19.



## Suspension of the Authority Pricing Review

To ensure we have sufficient revenue to sustainably fund our regulatory functions and security services, and continue to improve our safety and security regulatory oversight, the Authority undertakes a funding review every three years (or as required in response to changes in passenger volumes and our operating environment).

The Authority's Pricing Review that was to have been completed in 2020 was suspended by the Government for at least the next 12 months, as part of the COVID-19 Aviation Relief Package. It is unknown if this will be resumed. Consequently, the Authority is unlikely to recommence that existing Pricing Review.

Instead, we may need to initiate a more comprehensive funding review that reconsiders how we recover costs; what the most appropriate framework for that is; what rates and prices would be charged; and how those options impact or relate to any recovery plans. The Authority will need to consider how the sector has changed before starting any new review, alongside any changes the Government puts in place with respect to cost recovery principles. For example, there may be a need for greater ongoing Crown funding in the future compared to the levels historically provided prior to COVID-19, if the sector has not sufficiently recovered in that time.

### Future Funding

[Redacted text block]

[Redacted text block]

[Redacted text block]

The Authority has initiated an independent Value for Money (VfM) assessment through PwC. The assessment is expected to take up to three months to complete and will ensure that the Authority is well-placed to begin the Budget bid process.

### Organisational Design

In July 2020, the Authority implemented its new organisational design to continue to improve regulatory practice and performance. It is a scalable structure that provides a framework within which any additional future resource can be accommodated without the need for a material restructure. The new structure will better position the Authority to:

- Enhance regulatory practice and performance.
- Strengthen relationships and influence with stakeholders.
- Become an intelligence driven, risk-based organisation and ensure it has an integrated suite of enabling functions to support its work.

The organisational structure can be found in Appendix 7.

In July 2020, the Authority implemented its new organisational design to continue to improve regulatory practice and performance.

### EMPIC-EAP

While there has been significant investment to improve the Authority’s people capability and business processes through the organisational design, the Authority’s investment in technology is severely lagging. The EMPIC-EAP project seeks to replace the Authority’s core aviation regulatory platform, the Aviation Safety Management System (ASMS).

ASMS is outdated, unsupported, and can no longer be enhanced to meet the Authority’s current and future needs, as the technology behind ASMS is a bespoke in-house development and the application is written in an old language. It poses significant business continuity and critical aviation safety risks for the Authority. The core system was last updated in 2003.

A business case was approved by the Board in March 2019 to replace ASMS with EMPIC-EAP. EMPIC-EAP is a software-as-a-service-solution that will be cloud-hosted. EMPIC-EAP is in use by more than 25 other international aviation agencies.

EMPIC-EAP will allow us to perform all core Authority functions and obligations, including:

- Medical certification of pilots and air traffic controllers.
- Technical areas including aircraft type certification and registration.
- Personnel licensing of flight crew, air traffic controllers and maintenance personnel.
- Organisational approval of air operators, air traffic management, aeronautical service providers, maintenance companies and flight schools.
- Surveillance activities and risk-based oversight.

In December 2019, a Cabinet paper was submitted by the Minister of Transport to the Chair of the Cabinet Economic Development Committee seeking agreement to provide a Crown loan to the Authority of up to \$12 million to fund the EMPIC-EAP project. A further \$4.4 million of capital funding was to come from the Authority’s existing capital reserves.

Cabinet supported in principle a Crown loan as the preferred funding option and approved for the Authority to conduct consultation on its pricing review proposals. Subsequently Cabinet also approved a Budget 2020 bid for a Crown Loan facility of \$12m to fund EMPIC-EAP.

Redactions made in accordance with section 9(2)(f)(iv) of the Official Information Act 1982

However, due to a deterioration in the Authority's financial forecasts due to COVID-19, the Authority is not in a financial position to proceed with this project. This is partly due to uncertainties around our ability to service and repay a Crown loan (given our uncertain future revenues) and also because we have utilised the \$4.4 million of capital reserves previously earmarked to partially fund EMPIC-EAP on meeting day to day operational expenditure prior to being able to access the liquidity facility.

In the meantime, discussions with officials from MoT and the Treasury are taking place to consider alternative funding options that would allow this project to start at the earliest opportunity given the criticality of getting this project commenced (for example, from an increased Crown Loan facility or new capital and operating appropriations that would meet the project's full costs).

### Avsec technology investments

Given global evolving aviation security risks and threats, there is a need for Avsec to focus on maintaining business efficiency without compromising security effectiveness.

Avsec has a large screening technology modernisation programme underway. This includes investing in, and rolling out, new technology such as Advanced Imaging Technology (AIT) body scanners and computed tomography (CT) scanners, and automated smart lanes. The introduction of AIT and CT technologies are to meet requirements to improve security placed on Avsec by the Director. Avsec has also been investing in and developing its capabilities in the areas of Behavioural Detection (currently occurring at Auckland Airport) and non-passenger screening activities.

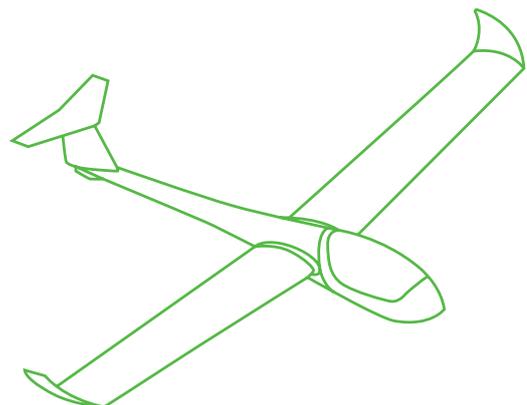
### Review of Capacity and Costs (CAPCO 1 and 2)

CAPCO 1 was a programme of work launched in response to the sudden financial pressure placed on the Authority, due to COVID-19. This work was commenced following a request from the Minister of Transport in April 2020. It looked at our capability, capacity and costs, and what resources are needed in order to keep the civil aviation system in New Zealand safe.

Importantly, CAPCO found that reduced passenger numbers and flight hours have had very little impact on the Authority's regulatory workload. Further, while a reduced level of travel has impacted Avsec's passenger security screening volumes, there are a number of other

core functions that need to be sustained – in addition to Avsec's current role supporting the Government's response to COVID-19 – like non-passenger screening, foot patrols, and area searches. Resourcing options that account for the reduced levels of fees, levies and charges being received by the Authority were investigated and presented to the Minister of Transport in June 2020.

This work is continuing in 2020/21. CAPCO 2 was launched in August 2020 to take a more detailed look at what our resourcing looks like over the next few years and if there are better, more efficient ways of working. Ultimately, this will protect our financial sustainability and our capacity to deliver effective regulatory and security services to New Zealanders.





# Being responsible stewards of our regulatory system

The regulatory arm of the Authority plays a critical role as steward of the aviation regulatory system. We progress quality policy and regulatory thinking to ensure the foundations are in place to design, deliver and implement effective aviation policy and continually improve our regulatory system.

We ensure potential issues with our regulatory system are thoroughly assessed. Our regulatory stewardship role has become particularly important during COVID-19 as we look to ensure that the sector does not face any unnecessary regulatory burden while ensuring that new and emerging safety risks can be appropriately addressed.

## Keeping our Civil Aviation Rules up to date

The Rules establish the minimum regulatory safety standards that participants must demonstrate to enter and operate within the New Zealand civil aviation system. The Rules are divided into Parts and each Part contains a series of individual rules which relate to a particular aviation activity. The Rules belong to the Minister of Transport.

The Act empowers the Minister of Transport to make the Rules. We provide the policy and legal drafting for the development and amendment of the Rules, with funding from MoT. Funding has remained stagnant for a number of years and is a constraint on our ability to deliver more rule projects.

Some Rules are overly prescriptive and have become out of date. This can create both aviation safety and legal risks, and also prevents us from being a flexible and responsive regulator – particularly within a rapidly changing environment.

We have processes in place to enable people (staff, the sector and the public) to raise issues about the Rules. We assess all of these issues, as well as considering the most appropriate regulatory intervention to use in the situation – such as communication, guidance or a Rule change. In this way, we are constantly reviewing and updating the Rules.

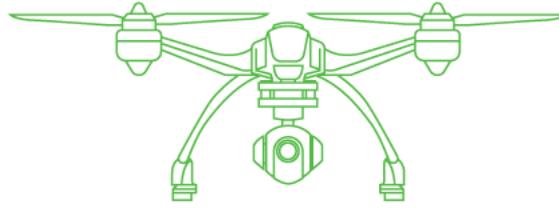
We are also finding the right balance between prescriptive and performance-based Rules. The increasing use of CAA Notices or other regulatory interventions enable more technical or administrative requirements that need more frequent updating to be made by the Director. This will support us to be more responsive and flexible to emerging technical issues and to rely less on the Rules.

Key Rule projects that are currently being progressed are outlined in Appendix 1.

## Civil Aviation Bill

The Act governs the civil aviation system in New Zealand and sets the overall framework for aviation safety, security and economic regulation in New Zealand. The Act has been amended several times, but not substantially revised since it was enacted in 1990. Over the last 30 years, both the aviation sector and the regulatory environment have significantly changed.

The Civil Aviation Bill (the Bill) reflects recommendations from a 2014 review of the Act and the Airport Authorities Act 1966. It will replace both Acts with a single Act. It presents an opportunity to fully revise our primary legislation and legal framework and deliver a modern and futureproofed Act for the next 30 or more years. This work is being led by MoT.



The Authority has been significantly involved in the policy decisions and drafting of the Bill. There are several key changes being introduced through the Bill. Some examples include:

- Protecting some safety information (such as incident reports and information from flight data recorders) from use in prosecutions.
- Improved drug and alcohol management, including new powers for the Director to undertake non-notified drug and alcohol testing, and a requirement for the Director to approve all drug and alcohol management plans.

Redactions made in accordance with section 9(2)(f)(iv) of the Official Information Act 1982

- [Redacted]
- [Redacted]

- Changing Avsec's institutional arrangements by removing its need to hold a certificate, and thereby removing potential conflicts of interest and changing the nature of the CAA's regulatory oversight.
- The introduction of national security considerations in granting aviation documents.
- [Redacted].
- The introduction of Transport Instruments (a tertiary form of legislation made by the Director) to enable a more responsive and agile legal framework.

Redactions made in accordance with section 9(2)(f)(iv) of the Official Information Act 1982

MoT initially planned for the Bill to be introduced prior to the 2020 election. However, due to COVID-19 and the pressures on the Parliamentary Counsel Office (PCO), MoT is now planning for the Bill to be ready for introduction to Parliament following the formation of a new government. In the meantime, we continue to work closely with MoT to finalise the draft Bill and prepare for a smooth transition from the current Act to our future Act. We are also scoping the work that will be required for the implementation of the future Act, noting that there will be significant implementation costs.

Performance and risk-based regulation enable us to target specific risks in the aviation system more efficiently.

### Designing the regulatory system to support effective regulation

In recent years, the Authority's regulatory approach has undergone a considerable shift from audits and inspections focused on compliance and individual cases, to a mix of performance and risk-based approaches to regulation, sophisticated risk management, and other regulatory tools.

- **Risk-based** regulation means that when risk is assessed, consideration is given to factors such as attitudes and behaviours, skills, business systems and resources. The Authority uses an intelligence-led approach towards risk-based regulation. This means assessment of risk is based on information gathered from audits, investigations and incident reporting. We act according to the data we receive and hold (intelligence-led), and also according to the level of risk assessed for a sector, organisation, person or aircraft (risk-based). This approach allows us to utilise data and information to inform and target our interventions.
- **Performance-based** regulation focuses on outcomes rather than applying prescriptive standards. It establishes performance objectives, without specifically detailing the means of compliance required to achieve the objectives. This provides the sector and the Authority with flexibility to adapt to meet the challenges of a rapidly changing sector, new and emerging technologies, and a changing operating environment.

Performance and risk-based regulation enables us to target specific risks in the aviation system more efficiently. An outcome of targeted intervention is that the number of interventions may decline. For example, more time might be spent monitoring and inspecting those operations that present as high risk, rather than monitoring and inspecting all operations to determine their compliance with the Rules. By being more targeted to those operations that pose unacceptable safety risks, we are better able to influence behaviours in the aviation sector.

# Contributing to a lower emissions transport system

The transport sector produces approximately 21% of New Zealand's domestic gross greenhouse gas emissions. The vast majority of these come from road transport. Domestic aviation is the next highest source, producing nearly 7% of transport emissions.<sup>4</sup> While MoT takes the lead on most aviation environmental matters, the Authority can play a role to support this outcome. As a result, we are adapting our ways of working to respond to the challenges associated with climate change, and we are constantly seeking new ways to do this.

## Environmental benefits of New Southern Sky

In October 2016 at the 39th ICAO Assembly in Montréal, Member States delivered a historic agreement on a new global market-based measure (GMBM) to offset CO<sub>2</sub> emissions from international flights and a comprehensive road map for the sustainable future of international aviation. The Authority's New Southern Sky (NSS) programme aims to contribute to this agreement.

As part of the NSS programme, various initiatives have been implemented to help offset CO<sub>2</sub> emissions in the aviation space. This includes the introduction of Performance Based Navigation (PBN) into the New Zealand aviation system. In New Zealand, most routes between cities are already relatively direct, however the implementation of PBN is providing additional benefits by designing shorter and more efficient approaches to landing. These shorter approaches can reduce flight time, resulting in savings of aircraft direct operating costs, fuel consumption, fuel costs, CO<sub>2</sub> emissions, and passenger time.

Since the implementation and trials of key programmes and initiatives, NSS has already seen various environmental benefits that support the GMBM in New Zealand, including:

- Avoiding CO<sub>2</sub> emissions by approximately 12.3m kg per annum through various initiatives from NSS.
- Avoiding approximately 2.3m kg of additional fuel burn per annum through Airport Collaborative Decision Making (A-CDM) implementation.
- Avoiding approximately 7.5m kg of CO<sub>2</sub> emissions per annum through A-CDM implementation.
- Avoiding approximately 136,000 kg of additional fuel burn through the introduction of PBN (based upon a trial at Christchurch and Wellington airports).
- Avoiding approximately 414,000 kg of CO<sub>2</sub> emissions through the introduction of PBN (based upon a trial at Christchurch and Wellington airports).

More information about NSS can be found in Appendix 2.

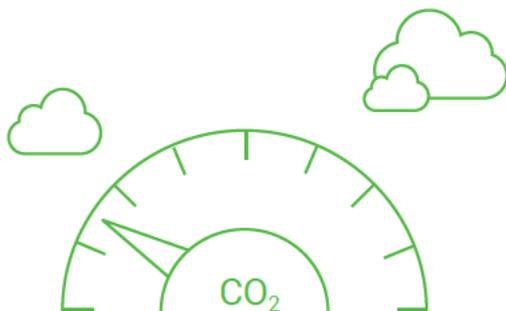
More information about the PBN rule project can be found in Appendices 1 and 2.

<sup>4</sup> Taken from New Zealand's Greenhouse Gas Inventory 1990-2018 report, produced by the Ministry for the Environment. Released April 2020.

### Being responsive to new 'greener' technology

A key outcome for transport is to become increasingly environmentally sustainable. Key to achieving this outcome is transitioning to net zero carbon emissions, and maintaining biodiversity, water quality and importantly for aviation – air quality. Reducing the impact of aviation emissions on the environment is now at the forefront of many aircraft designers and new technologies are constantly challenging the status quo. The use of electric aircraft will increasingly become a feature of our system in response to this.

To ensure that we can respond proactively to this new and greener technology, our regulatory system will need updating. For example, our maintenance and training rules will likely need amending to appropriately address the risks around electric engines. We plan to undertake an assessment of our regulatory framework so that it does not present any unnecessary barriers to the uptake of new and emerging 'green' technologies.



The equivalent of

# 64

**A320 flights from AKL – CHC saved annually**

due to the implementation of PBN



The equivalent of

# 141

**A320 flights from WLG – CHC saved annually**

due to the implementation of PBN



**in annual efficiency savings**

through reduced fuel burn at Auckland and Wellington airports due to the implementation of A-CDM

# Building strong, constructive relationships

It is vital that we have strong working relationships with our stakeholders across the aviation system and the wider transport sector so we can achieve our objectives.

Our strong working relationships are founded on mutual respect, integrity, and good communication, with a mutual understanding of our role, responsibilities and accountabilities. Our behaviours and the way we work with our stakeholders and participants build the foundation to deliver a safer and more secure aviation system.

## What do we mean by ‘Stakeholders’?

Stakeholders are organisations and individuals that we must work with to achieve our ultimate goal of ‘safe and secure skies to help New Zealand fly’.

The Authority works with a wide range of stakeholders, including:

- **Sector groups:** groups and individuals who engage with the Authority on various issues and advocate for their constituents (including the Aviation Community Advisory Group (ACAG) which has a policy mandate).
- **Central government agencies:** including (but not limited to) the Minister of Transport and MoT, MBIE, MFAT, the Treasury, Maritime New Zealand (MNZ), the New Zealand Transport Agency (NZTA), Department of Prime Minister and Cabinet (DPMC), TAIC, New Zealand Police and border agencies (such as Customs, Immigration, and the Ministry of Primary Industries).
- **International groups:** including ICAO, the International Air Transport Association (IATA), the European Aviation Safety Agency (EASA) and other national aviation regulators.
- **Participants:** those who hold an aviation document and operate within the New Zealand civil aviation system.

By understanding each of our stakeholder groups, we are able to tailor our engagement with each audience on every activity by level of influence, interest, impact, knowledge and value. This will ensure purposeful and meaningful dialogue on all important aviation issues.

## Working across Government

MoT is a key stakeholder in the development of aviation safety and security policy. We work closely with them on projects such as the NSS programme, and work to build

the resilience of our aviation system and improve the regulatory framework (for example through the Rules and the Bill).

We have also worked closely over the past few years with a number of agencies to support the Government’s wider social and economic goals. This includes working with MoT and MBIE to think strategically about the integration of drones into our aviation and wider transport systems, and how we will support the drone industry to thrive.

## Building future relationships and engaging with stakeholders

In the past, stakeholder engagement has been ad-hoc and often lacked co-ordination and a strategic approach. The need to improve stakeholder relationships and work more effectively with sector participants has been identified as a priority for the Authority.

To support the improvement of relationships with stakeholders and participants, a range of sector stakeholders were contacted about engagement with the Authority in the past. Their feedback highlighted concerns that varied from complaints of poor conduct when carrying out regulatory functions through to poor communication and a lack of rationale following policy changes. Industry participants said they want a regulator that is enabling and engaging, with a shared goal of improving aviation safety outcomes. There was a clear view from all the stakeholders that in a post COVID-19 environment it is particularly important for the Authority and the sector to be collaborating and working together effectively.

In response, the Authority has developed a comprehensive Stakeholder Engagement Strategy, which will support the Authority Leadership Team and regulatory units across the organisation to engage with stakeholders and participants in a more joined-up, consistent and effective manner. This more rigorous approach to engagement will be supported by the Authority’s newly established Engagement and Communications Unit, which will lead the ongoing development of the engagement strategy and assist the organisation to engage more productively.



# Appendices

The following appendices provide both an overview and detailed information on the Authority, its operating environment and the civil aviation sector:

APPENDIX 1: KEY RULE PROJECTS AND MINISTERIAL ENGAGEMENT

APPENDIX 2: HIGH PRIORITY WORKSTREAMS

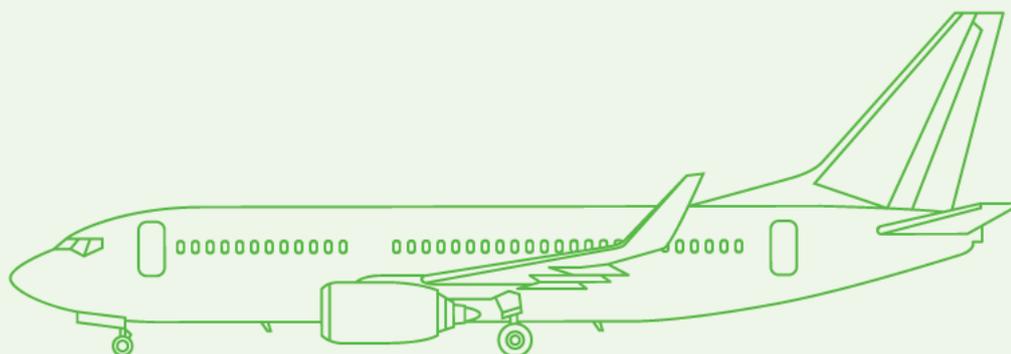
APPENDIX 3: 2019 FACTS AND FIGURES

APPENDIX 4: STAFF NUMBERS AND FUNDING SOURCES

APPENDIX 5: AVIATION SECTOR PROFILE

APPENDIX 6: KEY CONTACTS AND BOARD MEMBER PROFILES

APPENDIX 7: ORGANISATIONAL STRUCTURE



## APPENDIX 1

# Key Rule projects and Ministerial engagement

Our Rule development and key projects are driven by strategic priorities and transport sector goals. The following are the upcoming pieces of work that you will be engaged on in the next few months:

RULE PROJECT	CONTEXT	MINISTERIAL ENGAGEMENT
Automatic Dependent Surveillance Broadcast (ADS-B) below Flight Level 245	<p>This project will complete the transition from secondary surveillance radar to ADS-B Out as the primary source of data for surveillance in New Zealand. This is the second phase for ADS-B uptake in New Zealand as part of the wider New Southern Sky (NSS) programme. The proposal aims to provide a regulatory framework for the safe and effective introduction of ADS-B in controlled airspace below flight level (FL) 245 in the New Zealand Flight Information Region.</p> <p><b>Current status:</b> The draft final rules for ADS-B Below FL 245 are finalised and are with MoT for their review.</p>	<p>A Cabinet paper on this rule project will be provided to the Minister from MoT in due course.</p> <p>Aiming for an early-2021 signing by the Minister.</p>
Part 61 Private Pilot Licence (PPL) Medical Review	<p>This project updates the medical certification requirements for a PPL without reducing levels of safety. The new licence will require pilots to meet the commercial driver licence with passenger endorsement medical standard as outlined in NZTA's <i>Medical Aspects of Fitness to Drive: A Guide for Health Practitioners</i>.</p> <p><b>Current status:</b> We received a large number of submissions prompting us to review the privileges associated with the new medical licence. A paper was prepared with updated proposals, which are supported by MoT. Draft final rules are being prepared. The summary of submissions will be published with the final Rules.</p>	<p>Aiming for a December 2020/early-2021 signing by the Minister.</p>
Performance Based Navigation (PBN)	<p>The New Zealand aviation system is transitioning from traditional navigation using ground-based beacons to PBN, a navigation system that is primarily reliant on Global Navigation Satellite Systems (GNSS) to achieve accurate positioning. PBN enables a range of benefits through the greater degree of navigational precision it provides.</p> <p><b>Current status:</b> The Regulatory Impact Summary for the Performance Based Navigation (PBN) Regulatory Framework has been approved by the Ministry of Transport and added to the Rules Programme. Drafting of a Notice of Proposed Rule Making (NPRM) is underway, and this will be released for public consultation in December 2020.</p>	<p>Aiming for an April 2021 signing by the Minister.</p>

## APPENDIX 2

# High Priority Workstreams

## Safety Management Systems (SMS)

Since February 2016, the Rules have required commercial operations to establish, implement, and maintain a comprehensive and scalable Safety Management System (SMS). SMS integrates a range of safety management tools, including senior management commitment, hazard identification, risk management, safety reporting, occurrence investigation, remedial actions and education.

The implementation of SMS is an example of moving towards being a more risk-based regulator and creating a more responsive regulatory system.

SMS is a significant change and will take time to fully implement. All but one Group 1 operator (larger operations) had an approved SMS in place by the due date of 1 February 2018. Group 2 operators (all other operators) were initially required to have an approved SMS in place by 1 February 2021. Due to COVID-19, the Authority has undertaken a significant piece of work to extend the SMS certification dates for operators who were not SMS certified at the time of the pandemic. The Authority has worked with these remaining operators to issue exemptions to extend their SMS certification date to a mutually acceptable date prior to 1 February 2022. This has resulted in a shift in the remaining SMS certification workload to 2021.

## Satellite Based Augmentation Systems (SBAS)

New Zealand has partnered with Australia to procure a satellite-based augmentation system (SBAS) capability for New Zealand and Australia. SBAS improves the accuracy and integrity of global navigation satellite systems (GNSS). SBAS enables diverse applications, including landing emergency medical aircraft in more challenging weather conditions, supporting the introduction of automated vehicles and delivering innovative services to the agricultural sector.

A joint Budget bid by MoT and Land Information New Zealand (LINZ) was approved in 2019 for investment in SBAS. LINZ is the lead agency for the SBAS development. The Authority has been working with LINZ to ensure the SBAS can be certified for aviation use and to encourage its uptake within the sector.

## New Southern Sky

The New Southern Sky (NSS) is a programme to modernise New Zealand's airspace and air navigation systems. It is led by the Authority in partnership with MoT and Airways New Zealand. NSS was approved by Cabinet and commenced in 2014.

The aim of NSS is to implement the Cabinet-directed National Airspace and Air Navigation Plan through a coordinated and collaborative approach across the aviation sector to deliver safety, social, economic and environmental benefits.

NSS is a benefits-led programme that spans a decade. The major NSS workstreams currently progressing to regulatory changes are:

- **Automatic Dependent Surveillance – Broadcast (ADS-B):**

ADS-B is a new type of aircraft surveillance technology that is more accurate and provides wider surveillance coverage. It has a wide range of safety and efficiency benefits for an individual operator and the wider aviation system.

- **Performance Based Navigation (PBN):**

The New Zealand aviation system is transitioning from traditional navigation using ground-based beacons to PBN, which is a navigation system that is primarily reliant on Global Navigation Satellite Systems (GNSS) to achieve accurate positioning. PBN enables a range of benefits through the greater degree of navigational precision it provides.

An NSS programme cost benefit analysis released in 2018, which used actual data from the air traffic system, confirmed that significant benefits were being delivered. Post COVID-19 impacts include a review and rescheduling of elements of the surveillance and air traffic management systems. Given the focus on domestic and Trans-Tasman activities, it is anticipated that the benefits of the NSS programme will likely be retained despite the impact of COVID-19.

## Avsec's Horizon 2030

In 2019/20, Avsec began re-developing its strategic plan, from its previous Future 2022 strategy to Horizon 2030. Horizon 2030 will set out a strategic plan for Avsec to deliver effective and efficient aviation security, that's trusted, professional and responsive.

Horizon 2030 will help ensure that our security services are strategically aligned with the priorities of our key aviation and transport partners while also meeting our domestic and international security obligations. We intend to finalise Horizon 2030 in 2020/21.

## Drone Integration

The Authority is a key partner in a cross-agency programme of work to enable drone integration into the aviation and transport system through two main key work programmes, specifically:

- **Regulatory Updates:**

The MoT-led work to assess the future regulatory settings for drones, including potential Rule changes and improving education and safety promotion. The policy objectives of this work are to: maintain appropriate standards of safety and security; enable drone innovation and development; lay the early groundwork for future drone integration; and to foster social licence, including managing public concerns about drones.

- **Testing and Trialing:**

MBIE's Airspace Integration Trials-led Programme (AITP) aims to facilitate the safe testing, development, and market validation of advanced drones, and accelerate their integration into New Zealand's aviation system by leveraging the potential for innovation under the Rules. AITP partners will test and demonstrate unmanned aircraft for a range of purposes including passenger transport, cargo delivery, agricultural services, and hazard management and monitoring services.

Both programmes of work are aligned with the Government's strategy to unlock the potential economic benefits of drones as outlined in the document *Taking Flight: An Aviation System for the Automated Age*. Core to all this work is maintaining and improving levels of aviation safety and security.

This work is overseen by the cross-agency Unmanned Aircraft (UA) Leadership Group with senior representatives from the Authority, MoT, MBIE and Airways. The UA Integration Leadership Group provides strategic governance, guidance, and oversight of the work programme to achieve the safe integration of drones into New Zealand's airspace.

## Regulatory Craft Programme

The Regulatory Craft Programme (RCP) is a long-term change programme that is improving our effectiveness as a regulator and enhancing the regulatory capability of our people and the quality of our regulatory guidance.

In 2019/20, the RCP people workstream continued talent development work, performance development systems, and leadership development, with an emphasis on lifting regulatory capability. An overarching 'People' strategy for the organisation (outside of the RCP) is in development, and will include these activities. This will help normalise the changes that have been driven by the RCP as we incorporate the improvements into 'business-as-usual'.

The programme's guidance workstream has developed the foundational documents for an operational policy framework. This now forms the basis of the new Operational Policy, Practice and Guidance business unit, which will deliver our regulatory strategy. A workstream which focuses on improving technology support has now been established as the EMPIC-EAP project.

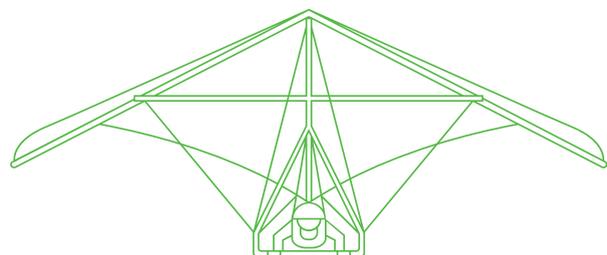
While we originally intended to transition the RCP to 'business-as-usual' by June 2020, this was extended to ensure we had the systems in place to safeguard the progress the RCP has made. As we gradually complete this transition in 2020/21, we will carry out an evaluation of the success of the programme, and establish a framework for evaluating and monitoring its ongoing benefits.

## Withdrawal of Airways from Regional Airports

Airways New Zealand Limited is currently proposing to withdraw air traffic services it currently provides at seven regional aerodromes. Airways' proposal is driven by a major revenue reduction due to COVID-19. Like most aviation participants, Airways suffered a significant and immediate financial hit from the reduction in air operations due to travel and border restrictions. Revenue is unlikely to return to pre-COVID-19 levels in the near future. Consequently, continuing to provide services at their current levels is likely financially unsustainable for Airways unless it reaches commercial arrangements with the aerodromes in question for the funding of any shortfalls.

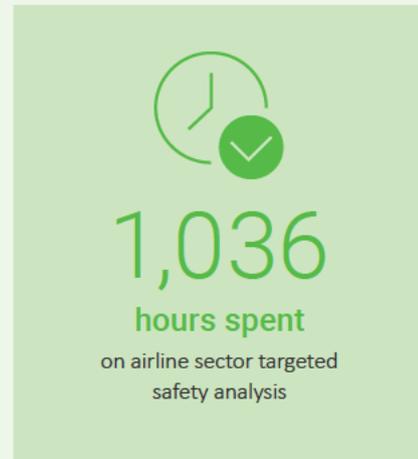
Under Civil Aviation Rule Part 139, an aerodrome operator is required to ensure the delivery of either an aerodrome flight information service (AFIS) or a aerodrome control service (a control tower). These services must be provided by the holder of a Civil Aviation Rule Part 172 certificate, of which Airways is the only holder, despite it being contestable.

Any proposed service withdrawal requires a deliberate decision-making process by the Director, in order to determine whether or not the continuation of the service in question is necessary in the interests of safety. This requires each affected airport to provide an aeronautical study to the Authority. The Authority will then conduct an assessment of each aeronautical study - a process that will involve extensive consultation with stakeholders at each airport. At this stage, we anticipate that the Authority's assessment and the Director's decision-making will be completed for all airports by the second half of 2021.



APPENDIX 3

# 2019/2020 Facts and Figures



**442**  
audits, inspections and  
spot checks performed  
under the Civil Aviation  
Act

**9,357**  
Civil Aviation System  
Occurrences reviewed



47,063,747  
bags scanned

38

Explosive Detector Dogs operated



15,000  
Airport Identity Cards issued



439,437  
prohibited and dangerous items removed from the travelling public



Carried out  
6,734  
Licensing procedures



1,129  
investigations conducted under the Civil Aviation Act

100%  
of all system incidents/accidents investigated

## APPENDIX 4

# Staff numbers and funding sources

## Staff

### Regulatory function

The CAA 2020/2021 budget has been prepared on a staff establishment of 295.8 full-time equivalent positions. Many staff are technical experts responsible for the certification and monitoring of aviation sector participants and have generally come from an aviation background rather than the public sector.

### Security service

The Avsec 2020/2021 budget has been prepared on an average establishment of 1147.1 full-time equivalent positions. Most are front-line service delivery staff, based in airports around the country, with a national office team based in Wellington.

## Sustainable funding for civil aviation

### The Authority has three primary sources of revenue:

- Aviation participant fees and charges – for licensing and certification
- Passenger levies and charges – for civil aviation regulatory functions and security screening
- Funding from the Crown – for policy advice, rules and standards development and the administration of the Health and Safety at Work Act 2015 designation for the CAA.

### Authority funding sources:

As required by section 72B (3B) of the Civil Aviation Act 1990, the Authority maintains separate accounts for the performance of its two operating functions.

OUTPUT CLASS	FUNDED THROUGH
<b>1. Policy and Regulatory Strategy</b> <ul style="list-style-type: none"> <li>• International relations and ICAO obligations</li> <li>• Ministerial servicing</li> <li>• Policy advice</li> <li>• System level design and intervention</li> <li>• Rules and Standards Development</li> <li>• Pacific support</li> </ul>	<ul style="list-style-type: none"> <li>• Crown funding</li> <li>• Ministry of Transport contract revenue (rules development) and Ministry of Foreign Affairs and Trade (Pacific Security Fund activity)</li> <li>• Levies</li> </ul>
<b>2. Outreach</b>	<ul style="list-style-type: none"> <li>• Levies</li> <li>• Other revenue</li> </ul>
<b>3. Certification and Licensing</b>	<ul style="list-style-type: none"> <li>• Levies</li> <li>• Fees and charges</li> <li>• Other revenue</li> </ul>
<b>4. Surveillance and Investigation</b>	<ul style="list-style-type: none"> <li>• Crown funding</li> <li>• Levies</li> <li>• Fees and charges</li> <li>• Other revenue</li> </ul>
<b>5. Security Service Delivery</b> <ul style="list-style-type: none"> <li>• Screening activity</li> <li>• Audit performance; access control; and maritime security services</li> </ul>	<ul style="list-style-type: none"> <li>• Contracted services</li> <li>• Passenger security levies</li> <li>• Crown funding – Maritime</li> <li>• Other revenue</li> </ul>

## REVENUE PERCENTAGE (PROSPECTIVE 2020/21)

	THIRD PARTY CONTRIBUTION	CROWN CONTRIBUTION
The Authority (CAA and Aviation Security Service combined)	31% (97.2% Pre- COVID-19)	69% (2.8% Pre- COVID-19)
The CAA (regulatory function)	49% (89.2% Pre- COVID-19)	51% (10.8% Pre-COVID-19)
The Aviation Security Service (Avsec)	25% (99.9% Pre- COVID-19)	75% (0.1% Pre- COVID-19)

## APPENDIX 5

# Aviation sector profile

Aviation in New Zealand is characterised by the high number and wide variety of operations considering the size of the country and its population. We have one of the highest rates of aircraft and pilot licences per capita in the world. The aviation sector is comprised of a variety of sub-sectors, each with unique characteristics and challenges, personnel, operators and various supporting infrastructure.

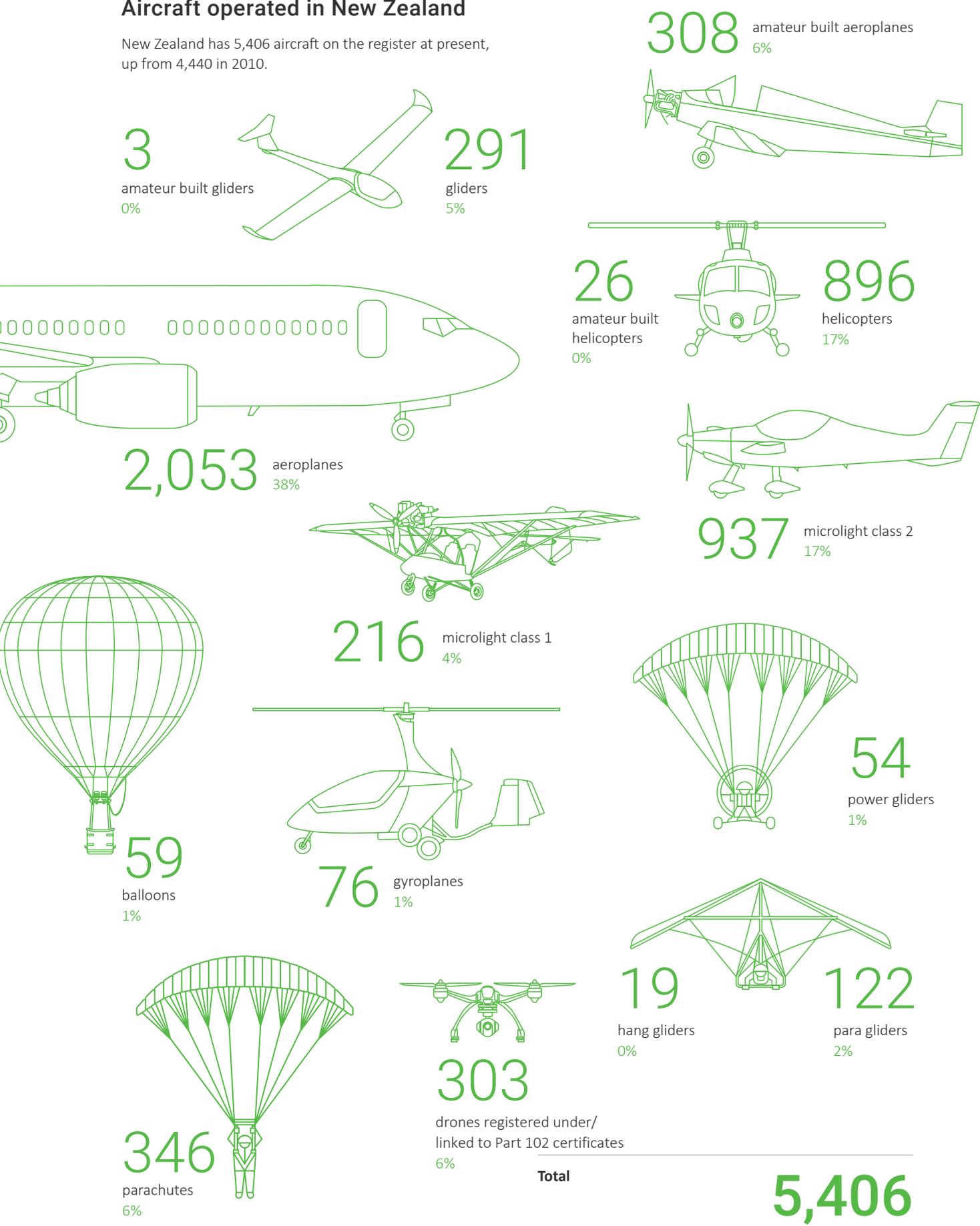
## New Zealand's active aviation document holders (as at July 2020)

ORGANISATIONS	2020	2010	INDIVIDUALS	2020	2010
Australian AOC Operating with ANZA Privileges	5	2	Part 66 Aircraft Maintenance Engineer	2,295	2,463
Part 102 Unmanned Air Operator Certificate	122	N/A	Part 66 Certification of Inspection Authorisation	203	156
Part 109 Regulated Air Cargo Agent	70	63	Part 66 Certificate of Maintenance Approval	343	239
Part 115 Adventure Aviation Operator	24	N/A	Pilot licences	28,471	22,193
Part 119 Air Operator	162	185	Air traffic and Flight service licences	1,195	848
Part 129 Foreign Air Operator	56	37			
Part 137 Agricultural Aircraft Operator	105	108	<b>Total</b>	<b>33,207</b>	<b>25,899</b>
Part 139 Aerodrome Certification	29	26			
Part 140 Aviation Security Organisations	1	1			
Part 141 Training Organisations	43	58			
Part 145 Maintenance Organisations	53	55			
Part 146 Design Organisations	12	13			
Part 148 Manufacturing Organisations	13	22			
Part 149 Recreation Organisations	8	9			
Part 171 Telecommunication Service Organisations	1	2			
Part 172 Air Traffic Service Organisations	1	1			
Part 173 Instrument Flight Procedure	2	3			
Part 174 Meteorological Service Organisations	3	2			
Part 175 Information Service Organisations	2	2			
Part 19F Supply Organisations	24	61			
Part 92 Dangerous Goods Packaging	49	56			
Synthetic Training Device (Airlines)	8	10			
Synthetic Training Device (General Aviation)	40	28			
<b>Total</b>	<b>833</b>	<b>744</b>			



## Aircraft operated in New Zealand

New Zealand has 5,406 aircraft on the register at present, up from 4,440 in 2010.



## APPENDIX 6

# Key contacts and Board member profiles

## Acting Chief Executive and Director of Civil Aviation

### Shelley Turner

04 560 9619 | [REDACTED]  
shelley.turner@caa.govt.nz

## General Manager Aviation Security Service

### Mark Wheeler

04 560 9443 | [REDACTED]  
mark.wheeler@avsec.govt.nz

## Board Chairman

### Janice Fredric

[REDACTED] | [REDACTED]  
[REDACTED]

## Authority Board Members

The Authority Board is made up of five independent non-executive members appointed by the Minister of Transport. The Board has diverse capability and experience in governance across varied portfolios ranging from central and local government through to commercial operations. They are equally diverse in their skills and experience in business, in such disciplines as accounting, law and delivery of commercial performance.

The Board currently has one vacancy and recruitment is underway.

### Janice Fredric – Chairman

Janice was appointed as Chairman of the Board in December 2019.

Janice is an experienced Chair and professional director with 20 years governance experience. She has a broad portfolio of directorships with experience in commercial, Crown and not-for-profit sectors.

An experienced leader with strong commercial and financial acumen, Janice has governance experience as both a regulator and a regulated party. Janice has held senior executive positions in the finance and banking sectors and professional services both in New Zealand and internationally.

### Hon. Harry Duynhoven QSO

Hon. Harry Duynhoven QSO is an experienced independent consultant with a history of working in the public policy industry. Harry was a long-serving Member of Parliament and was the Minister of Transport Safety between 2005 and 2008. He was appointed to the Board in May 2019.

Harry was Mayor of the New Plymouth District Council from 2010 to 2013 and remains a councillor.

He is currently a member of the Taranaki District Health Board and the Air Quality Asia Board. Since 2014 he has run Duynhoven Solutions, a consultancy service in Energy, Transport, Aviation, Safety and Governance.

### Jill Hatchwell

Jill is a professional director and is a Chartered Member of the Institute of Directors. Her executive career spans over 40 years culminating in the establishment of a successful financial and management consultancy partnership, working with a range of clients in both the central government and private sectors. Jill has accumulated experience across a number of industries including investment companies, aviation, education, property, professional sport, the bloodstock industry and the resources sector.

Jill currently serves on the boards of NZX-listed Chatham Rock Phosphate Ltd and SMW Group Ltd and represents the aviation industry on the board of ServiceIQ (the industry training organisation representing the service sectors in New Zealand). She is a member of the Audit and Risk subcommittees of all three entities.

Jill was appointed to the Board in July 2019.

### Charles Spillane

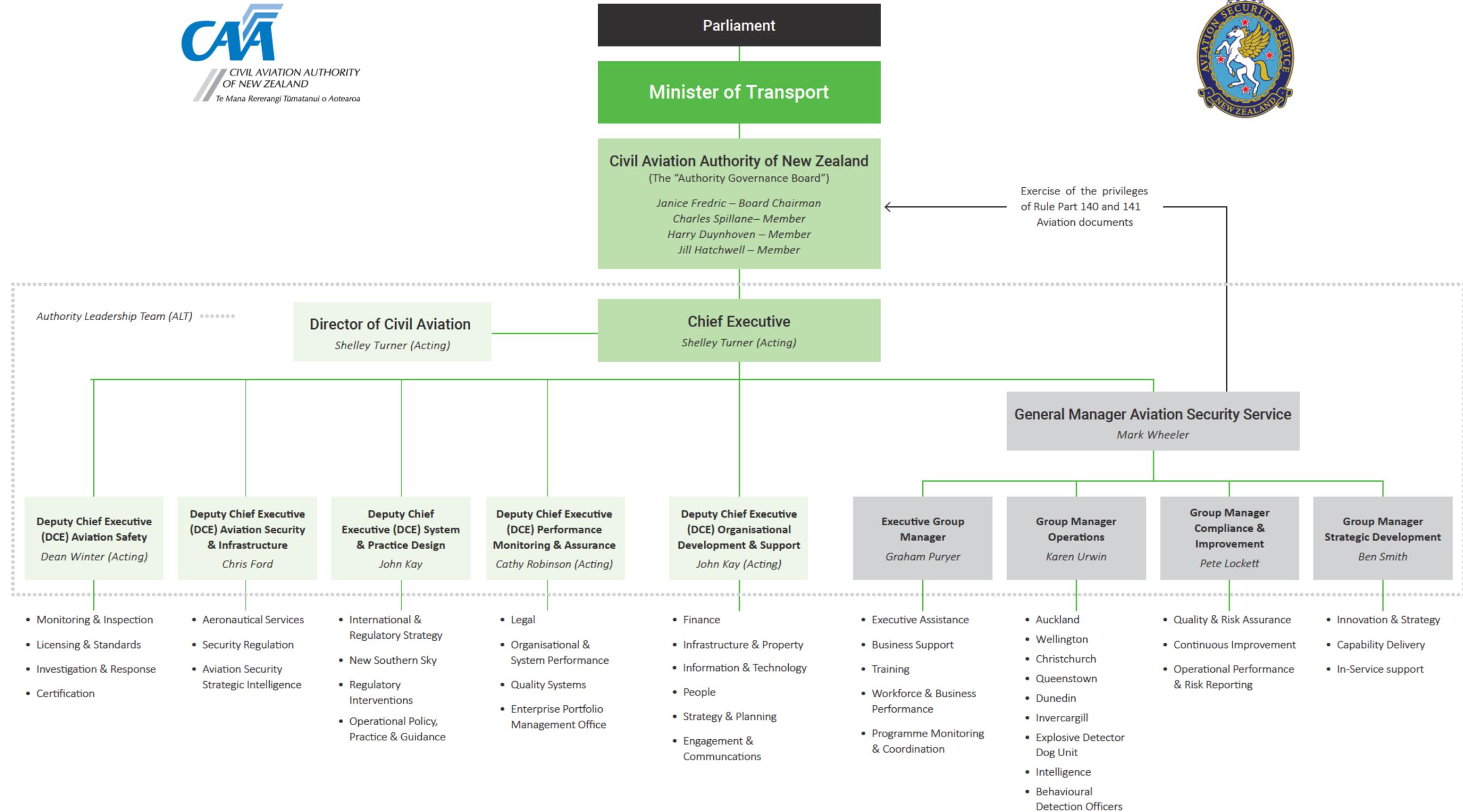
Charles was appointed to the Board in December 2019.

He has been the Chief Executive at Dentons Kensington Swan since 2016 – one of New Zealand's leading national commercial law firms.

Charles was previously the General Manager Corporate Affairs and General Counsel at Auckland International Airport Limited. Charles began his law career after graduating from the University of Auckland in 1996 in arts and law.

APPENDIX 7

# Organisational structure





Aviation Security Service  
*Kaiwhakamaru Rererangi*

Civil Aviation Authority of New Zealand.  
Asteron Centre, 55 Featherston Street,  
PO Box 3555, Wellington, 6011, New Zealand.