



Briefing for the Incoming Associate Minister of Transport

February 2025



Dear Minister

Congratulations on your appointment as the Minister for the South Island, Minister of Youth, Minister of Hunting and Fishing, and Associate Minister of Transport. We look forward to working with you in the capacity of the minister responsible for the Civil Aviation Authority of New Zealand (CAA) — the Government’s civil aviation safety and security regulator.

This briefing provides you with a high-level introduction to the CAA. It includes an overview of CAA’s functions (our core business), explains the organisation’s role as a safety and security regulator, and explains how this supports economic development and activity. It details our current operating environment, which includes significant change in the aviation sector such as the rapid development of new forms of aviation, the implementation of the Civil Aviation Act 2023, the implementation of the 2024 Pricing Review and the CAA’s organisational change programme.

This document also sets out CAA’s work to meet Ministerial and Government expectations for delivery and strengthened performance in the 2024/25 financial year – in line with the Letters of Expectation from Ministers Brown and Collins (attached for your reference with responses from our Board Chair).

Now the transfer of responsibilities from the Minister of Transport to you is confirmed, we will begin to engage with you more frequently on matters of interest and our performance in priority areas through your weekly report, monthly meetings with officials and briefings.

In advance of this, the CAA Board Chair and I are available to discuss the contents of this briefing, your priorities in the coming financial year, and how we can best support you.

At your request, we can also provide you with copies of more in-depth briefings on the following topics:

Briefing	Overview of
Aviation Security System	The national and international aviation security system, including New Zealand’s international obligations, how the aviation security system works, and challenges and opportunities.
Critical Issues – Security System	The national and international aviation security system, including New Zealand’s international obligations, roles and responsibilities of the various actors within the system, and challenges and opportunities.

Briefing	Overview of
Emerging Aviation Technologies	The regulation of emerging aviation technologies and the challenges of balancing and enabling system with the safety and security of the entire aviation system.
Funding	How CAA is funded, and our current funding situation.
International Aviation Arrangements	New Zealand's State-level obligations as a signatory to the Treaties and Conventions that give rise to the international aviation system, and the International Civil Aviation Organization (the ICAO).
Modern Regulation	CAA's work to modernise its regulatory approach, and the benefits it intends to achieve as a consequence.
Regulatory Stewardship	CAA's regulatory stewardship activities, including information on good regulatory stewardship practices, our approach to regulatory stewardship, and challenges in delivering effective regulatory stewardship outcomes.

We look forward to working with you and supporting you in your role. My contact details are provided below, if you have any questions.

Yours sincerely



Keith Manch

Director of Civil Aviation and Chief Executive and

Keith.Manch@caa.govt.nz

021 227 6363

Who are we and what do we do?

Civil aviation in New Zealand operates in a system established and maintained by the Civil Aviation Act 1990 (to be replaced in April 2025 with the Civil Aviation Act 2023).

CAA keeps the aviation system safe for the public and for people who work in it and use it, as well as keeping it protected (secure) from people who may wish harm to those using and working in it. To ensure delivery of these outcomes we:

- Regulate people (those who work in, and are customers of, aviation – including pilots, engineers, air traffic controllers and passengers), organisations, aircraft, and aviation infrastructure.
- Carry out regulatory functions, including engagement, education, communication, certification, licensing, monitoring (including audit and inspection, screening of passengers and non-passengers), investigation and enforcement.

These functions are supported and enabled through organisational activities including our regulatory framework, resources (physical and monetary), and systems and processes.

We enable economic outcomes for New Zealand

Aviation is critical to New Zealand's economy through its global and domestic connections, the activity it enables, and its reputation for safety and security.

Aviation is a part of a wider transport system that moves people and goods over land, sea and air. Ninety nine percent of people arriving in New Zealand do so by air, and a significant proportion of New Zealand's high-value goods also travel by air.

Through the delivery of our activities, CAA enables a wide range of domestic aviation activities that support New Zealand's economic and social well-being, as well as playing an important – albeit indirect – role in providing

2023/24 activities by number



7,942*

people licensed
2022/23 - 8,477



1,073

organisations certificated
2022/23 - 925



946

safety and regulatory
investigations
2022/23 - 860



28,176,328

bags scanned
2022/23 - 26,480,867



13,553,242

passengers screened at airports
2022/23 - 11,853,399



173

audits, inspections,
and spot checks
2022/23 - 191

New Zealand with opportunities for growth in tourism, trade, and economic development. Examples of this include:

- Fostering innovation in the emerging aviation and aerospace sectors by working collaboratively with industry to support regulatory approvals for emerging aviation technologies.
- Upholding New Zealand’s reputation as a safe and secure aviation system, which enables us to:
 - be a trusted trade partner for international imports and exports
 - be a sought-after tourist destination
 - enter into mutual recognition agreements with other States on safety and security issues – reducing regulatory burdens on the aviation sector.
- Developing technical agreements with regional partners, and other National Aviation Authorities, to enable significant cost and efficiency savings for New Zealand businesses operating in those jurisdictions or under the oversight of other National Aviation Authorities (including Australia, Canada, USA, the European Union, Singapore and the UK).

CAA’s functions (core business)

CAA exercises its functions (regulatory activities) under Acts and delegations as set out below:

- Civil Aviation Act 1990 – which will be replaced with the Civil Aviation Act 2023 on 5 April 2025
- Aviation Crimes Act 1972
- Bill of Rights 1990
- Chicago Convention on International Civil Aviation 1944
- Crimes Act 1961
- Crown Entities Act 2004
- Health and Safety at Work Act 2025
- Hazardous Substances and New Organisms Amendment Act 2015
- Official Information Act 1982
- Privacy Act 2020
- Public Finance Act 1989
- Transport Accident Investigation Commission Act 1990
- Trespass Act 1980.

As noted above, from 5 April 2025 the Civil Aviation Act 2023 will replace the 1990 Act. Under the new Act, the main objective of CAA is to undertake its functions to facilitate the operation of a safe and secure civil aviation system.

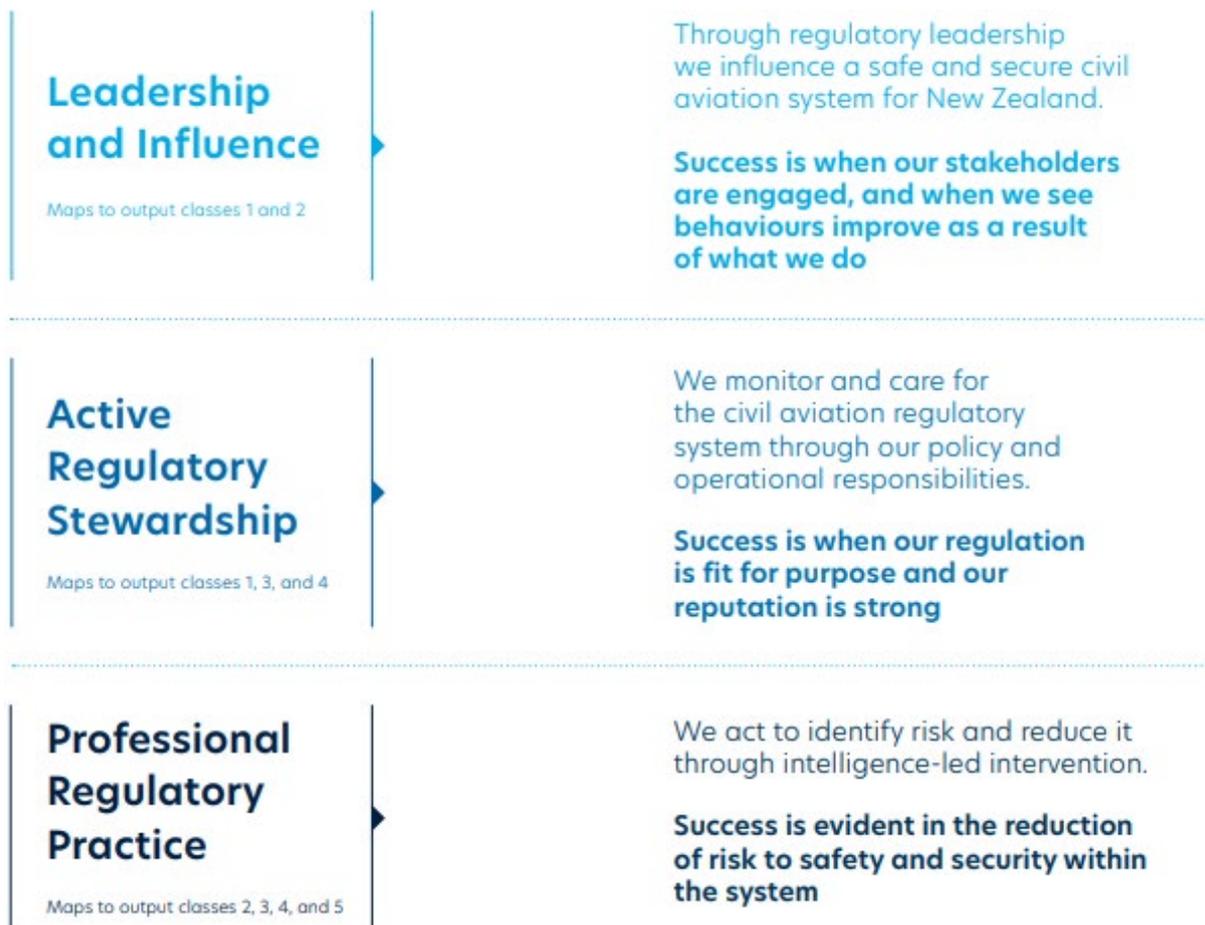
As a Crown entity, CAA must ‘give effect to’ Government policy and the whole of Government direction, in the context of its statutory functions which are set out in section:

- [72B](#) of the Civil Aviation Act 1990 (until 4 April 2025); and
- [23](#) of the Civil Aviation Act 2023 (from 5 April 2025).

A copy of CAA’s purpose and functions under the new Act is provided for your reference in **Annex Two**.

Strategic framework

We deliver our functions using the three pathways set out in our Strategic Framework (provided in full for your reference on **page 8**).



Structure and Governance

The organisation comprises 2,071 staff members, including 1,470 frontline staff working in airports or directly with people and organisations in a safety and security regulatory capacity.

CAA Board

CAA is governed by a Board, appointed by you, in a process facilitated by the Ministry of Transport (the Ministry). A Board refresh on 7 August 2024, resulted in five new members (including the Chair, Mark Darrow, and Deputy Chair, Darin Cusack) joining our seven-person Board.

Our Board guides and directs the organisation in setting and meeting its strategic objectives, managing risks, and meeting performance in line with your expectations, which are set through your annual Letter of Expectations and your feedback on both the CAA's annual Statement of Performance Expectations and the five-yearly Statement of Intent.

The Ministry assists you in carrying out your responsibilities through its monitoring of the CAA's performance. This includes supporting ministerial engagement with our Board Chair and the Board on priorities for CAA, as well as supporting us through annual processes such as Budget.

There are constraints on Ministerial and department intervention in the CAA's statutorily independent functions. As such, the Board is ultimately responsible for the governance of CAA and is the primary monitor of its performance.

More information on our Board members can be found on our website: [Authority members | aviation.govt.nz](https://www.authoritymembers.govt.nz)

The Director of Civil Aviation

The Director is accountable for exercising the independent powers and functions conferred on the Director under the Civil Aviation Act 1990 — this will not change under the new Act. These functions apply to decisions in relation to the entry into and exit out of the Civil Aviation system, such as decisions on the granting of licences and aviation documents (including placing conditions on or revoking these) and investigations and enforcement decisions.

The conferment of this statutory independence recognises the regulatory and aviation role a director has and is designed to promote objective standards of aviation safety and security and prevent interference in such matters (including by the Board or responsible ministers as provided under the Act).

While individual decisions of the Director are independent, the Board has a legitimate interest in the Director's performance in carrying out these powers and functions and the Director is accountable to the Board in this regard.

Leadership Team

The CAA leadership team is our most senior leadership group, charged with making sure the CAA implements strategy, performs effectively, and manages its resources

efficiently. The organisational change programme changes the configuration of the leadership team and responsibilities — with the processes to achieve that underway.

Ministers of Transport and Space

The ministerial arrangements for CAA split the portfolio across three ministers:

- You (as the responsible Minister) will be across CAA’s performance against ministerial and government expectations. This will involve regular meetings with the Board Chair and Director, a weekly report, and briefings on matters of interest to you which may require your approval. Your office will be informed of any media queries, OIA requests and our draft responses.
- The Minister of Transport retains the financial delegation for CAA. However, per the transfer letter for the Transport Portfolio, we understand that you will sign off on matters relating to the aviation sector as the Acting Minister of Transport and will not discuss, or otherwise, consult with Hon. Chirs Bishop. At our first meeting, we would like to discuss this further to inform our approach (and next steps) for the Pricing and Funding Reviews.
- The Minister of Space is responsible for emerging aviation technologies. Your office will be cc’d into any advice provided to the Minister, and any relevant items in your Weekly Report will be provided to Minister Collin’s office on a “no surprises” basis.

Key dates and decisions

Date (2025)	Activity
At our first meeting with you	Discuss the Ministerial delegations in relation to the processes to progress the Pricing and Funding Reviews.
March	Your annual Letter of Expectation is expected to be received by the Board Chair. This will inform changes to the current 2024-2029 Statement of Intent (Sol) and our approach to the 2025/26 Statement of Performance Expectations (SPE). It also enables CAA to set its strategic direction, planning, and performance targets for the coming financial year.
By 30 April	In accordance with the Crown Entities Act 2004, CAA will submit its draft SPE to your office for feedback within 15 working days after receiving the document.
May	The Board is meeting in Christchurch and will be connecting with emerging aviation stakeholders. An invitation to meet with the Board will be provided to your office for your consideration.
By 30 June	CAA will provide your office with its final SPE for you to present to the House of Representatives.
By October	In accordance with the Crown Entities Act 2004, you must present the entity’s Annual Report to the House of Representatives within five working days after it has been received (or, if Parliament is not in session, as soon as possible after the commencement of the next session of Parliament).

Our strategic framework and how we position ourselves to deliver

OUR VISION AND PURPOSE

A safe and secure aviation system – so people are safe, and feel safe, when they fly

DIRECTLY SUPPORT

Effective safety and security performance

- reducing risks within the aviation system to people, the environment and property; lowering social cost of air accidents and incidents, and improving confidence the system.

INDIRECTLY SUPPORT

Positive economic and social outcomes

- economic activity
- social connection for the benefit of all New Zealanders

OUR PATHWAYS

We have three pathways that lead us to delivering our vision and purpose

Leadership and Influence

Through regulatory leadership we influence a safe and secure civil aviation system for New Zealand.

Active Regulatory Stewardship

We monitor and care for the civil aviation regulatory system through our policy and operational responsibilities.

Professional Regulatory Practice

We act to identify risk and reduce it through intelligence-led intervention.

OUR IMPACTS

Desired changes in system state over the medium to long term

Application of consistent regulatory approaches that align with international regulatory requirements and that creates trust in NZ's aviation sector.

Participants, stakeholders and industry are engaged and informed, to encourage positive safety and security behaviours.

Participants entering and operating in the aviation system are capable of meeting safety and security requirements through their safety and security management systems.

An intelligence-led, risk-based monitoring approach identifies safety and security performance levels so regulatory action can be taken where required.

Security regulatory activities that address risk of unlawful interference with aircraft and aviation infrastructure, while efficiently facilitating the movement of passengers and goods.

OUR OUTPUTS

Our system facing operational deliverables*

▶ Output Class 1:
Policy & Regulatory Strategy

▶ Output Class 2:
Outreach

▶ Output Class 3:
Certification and Licensing

▶ Output Class 4:
Monitoring, Inspection and Investigation

▶ Output Class 5:
Security Service Delivery

OUR VALUES

Our values underpin our culture and are at the heart of our organisation

Collaboration
Me mahi tahi

Transparency
Me mahi pono

Integrity
Me mahi tika

Respect
Me manaaki

Professionalism
Kia tū rangatira ai



OUR BUILDING BLOCKS



Modern regulatory delivery

We are an intelligence-led and risk-based regulator, balancing trust in participants with effective verification, assurance and regulatory action.



People capacity and capability

We have a highly skilled and professional workforce. We enable our people through engagement, leadership, our culture, capability development and diversity in our workforce.



Resources, system and infrastructure

We manage our resources, systems and infrastructure sustainably, securing the long-term viability of the Authority.

Effectiveness and Efficiency

Improving safety and security outcomes, and CAA's performance

In preparation for the new Civil Aviation Act coming into effect in April 2025, and changes from the Pricing Review coming into effect from 1 July 2025, we instigated two parallel internal reviews in March 2024 to assess our performance and to form the basis of any changes to our systems, practices (including culture) and structures.

In June 2024, once the Pricing Review scope and implementation was confirmed, we initiated an organisational change programme to address the issues identified in the above reviews in the short, medium and long term. Frontline AvSec roles were out of scope for this work (approximately 67% of the organisation's workforce), given parallel work underway by the Ministry of Transport to consider delivery models for Aviation Security Screening in New Zealand.

The outcome of the organisational change programme is covered in more detail in the next section.

The table below details activities related to this work, which have enabled CAA to build a sophisticated understanding of the root causes of performance issues and what is required to address them.

Activity	Outcome / Purpose	Status
Regulatory Capability Review (RCR)	A self-initiated internal review to systematically assess and understand our strengths and opportunities as an aviation safety and security regulator.	Completed (May 2024)
Mahi Tahi Review (MTR)	A self-initiated internal review to assess our alignment with good practice organisational and workforce design principles.	Completed (May 2024)
Organisational Change Programme	A programme built on the above reviews, and informed by the assessments below, to make changes to systems, practices (including culture) and structure.	Underway (completion due 7 April 2025)
Culture assessment	An assessment that informed changes to our organisational structure and the way we work.	Completed (December 2024)
In-person stakeholder engagement programme	The newly appointed Board, and the Director, met with numerous participants, informing focus areas for CAA which will be addressed through the organisational change programme.	Completed (December 2024)

Activity	Outcome / Purpose	Status
A participant survey	<p>The survey found that the areas of most concern to industry are CAA’s responsiveness, consistency of decision-making, efficiency and value for money. This feedback is consistent with observations from the Board and Director stakeholder engagements, and those made by our people through the organisational change programme.</p> <p>These areas will be addressed through the system, practice and structural changes implemented by the organisational change programme.</p>	Completed (December 2024)
Staff engagement survey	This survey is a crucial tool to actively listen to our people and gain valuable insights into the workforce's needs, concerns, and motivations. The results will reset our baseline and identify cultural focus areas.	Commencing 10 February

Key dates and actions

Date (2025)	Activity
March	We will provide advice on the results of the staff engagement survey to your office either through a Weekly Report item or briefing.

Organisational Change Programme

The discovery and root cause analysis work found legacy issues which have contributed to CAA’s performance challenges. Overall, the changes are focused on improving leadership, lines of accountability at senior levels, and alignment from policy and regulatory strategy to frontline delivery; as well as ensuring efficiency in enabling and supporting functions across our safety and security functions. While there is a strong focus on ensuring we have the right leadership, this is not at the expense of aviation technical expertise, which is essential for CAA to be an effective regulator.

These changes will ensure CAA is set up to:

- Undertake its functions to facilitate the operation of a safe and secure civil aviation system.
- Be an efficient and effective aviation safety and security regulator, with a focus on value for money.
- Ensure that safety and security standards are maintained in aviation in New Zealand.

- Meet expectations from a rapidly changing aviation sector, including in relation to emerging aviation technologies and aerospace.
- Enable aviation participants to support economic growth in New Zealand’s aviation sector.

While these changes create efficiency in bringing together operational and management arrangements for CAA and AvSec, they will not impede any alternative approaches taken, should the delivery model for aviation security screening change as a result of the Ministry-led review underway - this includes partial or full outsourcing. The Board will closely monitor CAA’s progress against the intended outcomes of the change programme, using agreed metrics to drive organisational performance.

The structural changes have resulted in an increase in frontline safety roles. Additionally, there is a potential opportunity to apply savings - resulting from changes to management layers - to the final settings of the security levy which is due to come into effect 1 July 2025.

We also expect that, as a result of reduced role duplication and practice changes, further efficiencies will be identified over the next 12-18 months.

Key dates and actions

Date (2025)	Activity
7 April	The new organisational structure is stood up. Our progress following implementation will be reported to you through the Weekly Report and at officials’ meetings.

Timeliness

CAA continues to address the impacts of external factors that have emerged since 2019 – specifically in relation to the timeliness of its safety certification and aviation security activities. Work to date includes:

Safety certification	Establishing an Emerging Technology Unit which works collaboratively with the aviation industry to find an entry-point into aviation regulation and to support regulatory approvals.
	Enhancing operational policies, undertaking process refinements and introducing new organisational capability and business systems to provide swifter responses to industry.
	Improving our investigative practice, following an independent review of our Investigation and Response Function to enable informed and proportional decision-making.

Aviation security activities	Rolling out new airport screening equipment (CTiX 3D and Computed Tomography) to ensure New Zealand meets international screening standards while safely reducing airport queue times.
	Commencing the Passenger Data project to access real-time data for passenger security screening; and the Lane Matrix Screening project which enables the review of X-ray images of baggage across multiple screening lanes. Combined, these advancements will enable CAA to make operational improvements that improve queue times while maintaining security outcomes.
	We continue to improve our passenger presentation models and make alignments between available resource and passenger demand at all airports. We are collaborating with NZ Customs and Auckland International Airport on a model for Auckland.

The benefits realised from these initiatives will be reinforced by changes from the organisational change programme, which has identified the capability, resource, systems, practices, and structures required to support regulatory effectiveness and efficiency.

Pricing and Funding Reviews

Prior to COVID-19, over 89% of the CAA's revenue came from sector fees, levies and charges, with baseline Crown funding and some contract income forming the balance. This was the highest proportion of 'user pays' among border-facing agencies.

CAA's funding was severely disrupted by the pandemic through the impact of reduced travel and rising costs. Current funding rates have not been updated since 2017 for the regulatory function, and 2019 for the security function (AvSec). This means that the current \$ rate settings for fees, levies and charges are not sufficient to fund CAA in its current operating environment. Since 2020, reduced passenger activity and historic rates have resulted in CAA being supported by over \$400M in Crown 'liquidity' funding.

We have completed a review of our fees, levies and charges prices, which will be implemented by 1 July 2025 and will apply until 30 June 2027.

In December 2024 Cabinet approved the following increases, following public consultation, and these have been communicated to the sector:

Funding mechanism	Current Rate	New Rate	Difference
Passenger safety levy	\$1.60	\$3.92	+145%
Domestic passenger security levy	\$6.57	\$10.91	+66%
International passenger security levy	\$13.12	\$22.30	+70%
All other levies, fees and charges increase	Various	Various	10%

Cabinet has approved the pricing rates as maximums and allowed flexibility for reductions, should further opportunities for efficiency be identified over the next two years. This means that savings from the organisational restructure, which is underway, can be used to reduce increases.

CAA forecasts that it will break even at these prices on forecast aviation volume i.e., the revenue from these increases will cover core costs. However, we acknowledge that we must continue to focus on the cost-effective delivery of our services and be prudent with our budgets and spending. Further detail on our work to identify cost efficiencies and savings in the short to long-term can be found on **page 15** – at a high level this includes reviewing our cost recovery architecture and using savings from changes to our organisational structure to reduce costs for the sector.

We note that the implementation of the pricing review on 1 July 2025 has dependencies on the Ministry, as well as Cabinet and Parliamentary Counsel Office approvals.

Key dates and actions

Date (2025)	Activity
1 July	New rates for fees, charges and levies come into force.

Reserves restoration

CAA was required to exhaust its reserves during the early stages of the pandemic. Further, due to the organisation’s reliance on Crown funding, CAA has been unable to recover reserves through its fees, charges and levies. This has resulted in the Authority operating without reserves or a mechanism for restoration since 2020.

The Pricing Review has set fees, charges and levies at rates that enable reserves to be rebuilt to approximately \$40.2M over a two-year period. However, this would result in a funding gap between Crown funding ending and the new cost recovery model being implemented on 1 July 2025.

s9(2)(i)

We note that since 2020, CAA has received confirmation from its responsible Minister that Crown funding will be provided to enable the organisation's financial viability to the end of the financial year. This has previously satisfied Audit New Zealand (our auditors) that CAA is operating as a going concern – a requirement under the Crown Entities Act 2004.

Key dates and actions

Date (2025)	Activity
At our first meeting	CAA will seek engagement with you on options to rebuild of its reserves; and Ministry officials will provide advice to joint Ministers on the going concern issue.
March / April	The Ministry is leading the regulatory change process for the implementation of the pricing review by 1 July 2025 and will engage with you on a Cabinet paper to approve the regulations to bring the prices into effect.

Funding Review

With the completion of the Pricing Review (noting that its implementation is effective as of 1 July 2025), CAA is scoping a first principles funding review, which is due for implementation on 1 July 2027. This review will take a fundamental look at our cost recovery architecture and may propose options for innovations in the way we recover costs, as well as better incentives for participants and CAA in terms of efficiency and enabling sector growth.

Key dates and decisions

Date (2025)	Activity
March	Your approval of the Terms of Reference (ToR) for the Funding Review will be sought, once the ToR has been considered by our Board on 27 February 2025

Cost efficiencies

CAA recognises its continuing responsibility to both the Crown and public to enable a safe and secure aviation system in a cost-efficient way, which offers value for money to the sector and participants.

Since November 2023, we have undertaken a series of cost reduction measures by reducing spend for travel (domestic and international), contractors and consultants, and training, and have revised our procurement and recruitment processes. These measures, combined with the banking of year-to-date permanent savings (such as vacancies), have resulted in \$3.2M of cumulative savings as of December 2024.

While this is a positive outcome, we note that some cost pressures were not fully known at the time of the exercise, including, for example, the introduction of international flights at Hamilton Airport (including some increased costs) and the impact of softer passenger volumes compared to budget assumptions (resulting in reduced revenue).

Greater certainty over cost pressures and further potential savings will be achieved through the half-year forecast in February 2025. This update will give greater certainty regarding expectations related to full year expenditure compared to revenue.

s9(2)(i)

In the medium term (2025/26 and 2026/27), CAA's activities will be cost recovered from new rates for fees, charges and levies that come into force on 1 July 2025, s9(2)(i)

[Redacted]

[Redacted]

Key dates and actions

Date (2025)	Activity
Early March	We will provide you with advice on the results of the Half Year Forecast, either through a Weekly Report item or a briefing, once the forecast has been considered by our Board on 27 February 2025.

Implementation of the Civil Aviation Act 2023

The Civil Aviation Act 2023 is replacing both the Civil Aviation Act 1990, and the Airport Authorities Act 1966. CAA and the Ministry are undertaking a joint programme of work to ensure minimal disruption when the new Act comes into force on 5 April 2025.

The Act contains the building blocks of our regulatory system, including:

- the Director’s power to grant, suspend and revoke aviation documents, such as pilot licences and airline certificates
- the powers of AvSec to search people and things at airports
- the power of the Minister to make Civil Aviation Rules, and the process which must be followed
- obligations on participants to follow these Rules, and the Director for enforcing them.

The new Act may be reviewed at: [Civil Aviation Act 2023 No 10 \(as at 28 December 2024\), Public Act Contents – New Zealand Legislation](#)

Key dates and actions

No further actions are required from ministers at this time.

International Civil Aviation Organization (ICAO)

CAA is the technical representative to ICAO for New Zealand on all matters excluding the environment, documents of identity, economic regulation, and public health. We have two main workstreams that are driven by ICAO:

1. Ensuring that New Zealand’s regulatory frameworks remain aligned with ICAO Standards and Recommended Practices (**SARPs**) and reporting on this to ICAO. This is a key element in maintaining New Zealand’s standing as a nation with a safe and secure aviation system which enables the international movement of passengers and goods by air.
2. Influencing ICAO’s work programme and the development of SARPs.

Further to the above, ICAO periodically audits all member states (including New Zealand) to assess their level of compliance with internationally agreed technical

standards for aviation safety and security, authorising frameworks and oversight mechanisms. ICAO’s expectation is that each country fully adopts its SARPs unless it has a good reason not to do so.

Safety audit

CAA is leading the preparation for an ICAO audit of New Zealand’s compliance with aviation safety standards and oversight mechanisms, which is scheduled for **8 – 22 July 2025**. CAA has been preparing for this audit since 2021.

The audit will provide an up-to-date measure of New Zealand’s alignment with SARPs, in the form of an Effective Implementation (EI) score, which is visible to other States. A strong audit result builds international trust in a country’s aviation system and provides opportunities for aviation industries to operate overseas with fewer regulatory costs.

New Zealand’s last full safety audit was 18 years ago when it received an EI score of 85.63%. We believe there is a high likelihood that the current score will significantly reduce as ICAO’s current approach to safety audits has led to lower-than-expected scores for States audited within the last two years, including Australia, Canada and the UK.

To support New Zealand’s response to the audit, an ICAO governance group has been established, and CAA is coordinating with TAIC, the Ministry, Airways, MetService, international air operators and airports who are involved in the audit.

We will continue to keep you apprised of our preparations for the safety audit through Weekly Report items and our monthly officials’ meetings.

Key dates and actions

Date (2025)	Activity
8 –22 July	ICAO Safety Audit of New Zealand.
8 July (TBC)	It is likely that there will be an event on the first day of the audit. If this proceeds, then we will provide an invitation to your office.

The Emerging Technologies programme

CAA has established an Emerging Technologies Programme and associated Emerging Technologies Unit (**the ETU**) which engages actively with, and facilitates, emerging technology developers’ engagement with regulatory processes at the most complex and challenging end of the spectrum.

A key focus area for CAA is how to provide regulatory oversight of advanced aviation technologies, noting the Government’s ambition to grow the New Zealand aerospace sector and that new technologies are being developed at an unprecedented pace.

It is important to ensure that efficient and appropriate safety and security regulations are applied to these activities; however, there are significant challenges in approving and regulating advanced aviation technologies, including having to balance Civil Aviation Rules across both advanced aviation and traditional aviation activities, and having to develop Rules at pace to keep up with new aircraft entering the sector.

Emerging Technologies Unit

In many cases participants are new entrants to the aviation sector without a relevant background, requiring a new way of engaging and working with the regulated parties (such as the ETU). The ETU regularly engages with innovators such as Rocket Lab, a US company with a New Zealand subsidiary. Rocket Lab established the world’s first private orbital launch range on the Mahia Peninsula in New Zealand and conducts frequent commercial launches carrying satellites.

Aerospace Strategy

CAA, alongside the Ministry, is supporting the implementation of the MBIE developed Aerospace Strategy, which was launched in July 2023 (and updated in September 2024).

Like Australia, New Zealand has a space agency separate from its aviation regulatory body (i.e. CAA). This operates with a high reliance on approvals from the United States (NASA). The New Zealand Space Agency is primarily focused on delivering payloads into orbit (e.g. satellites) and national security matters relating to the space sector.

There are increasing overlaps between the regulatory activities of CAA and the New Zealand Space Agency as aircraft that operate under both regimes are introduced to the sector. This is resulting in an increasing need for the CAA to provide regulatory oversight of safety for aircraft intending to operate in and out of high altitude.

Alternative Propulsion Policy Project

CAA has an Alternative Propulsion Policy Project underway, which aims to identify and address issues in the current ruleset which unnecessarily inhibit or prohibit the use of alternative propulsion technologies in New Zealand. The project is not intended to address any specific technology or configuration and aims to be technology-agnostic where possible. However, it is informed by the technologies and platforms which are coming online or may be developed in the near future.

Key dates and actions

Date (2025)	Activity
February – March	Alternative Propulsion Policy Project papers distributed for industry feedback.

Civil Aviation rules

The Civil Aviation Rules (**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. When combined with the Civil Aviation Act 2023, the Rules describe the civil aviation system.

The making of rules in the civil aviation system is currently a Ministerial function, enabling you to make Rules primarily for safety and security reasons. In practice, you approve an annual programme of Rules to be made - known as the Transport Rules Programme (the Programme) - which is developed by the Ministry (with some input from CAA). The CAA undertakes the majority of work to develop a rule.

The current Programme is funded at c.\$800k per annum via Vote Transport. The funding has remained largely unchanged in absolute terms since 2008. In real terms, if the funding had kept up with inflation, c.\$1.50M would be allocated to the Programme, meaning that the Programme is about 29% smaller today than it was in 2008.

Challenges in maintaining the Civil Aviation Rules

CAA, like many frontline regulators, is dealing with an out-of-date, and not fit for purpose, regulatory regime. This creates cost to the industry and inefficiency for the sector, as well as impacting the timely delivery of regulatory outcomes. Exacerbating the need for change to the Current Programme is:

- The pace of change in emerging aviation technologies – an internationally recognised problem for all regulators who are struggling to maintain pace.
- The need for improved certification timeliness and frontline regulatory activity.
- Overly prescriptive Rules that do not enable the use of contemporary technologies - creating unnecessary barriers, and/or workarounds for both CAA and the sector.
- International standards being updated more quickly than our Transport Rules Programme can operate.
- Some Rules which can constrain efficient airport development.

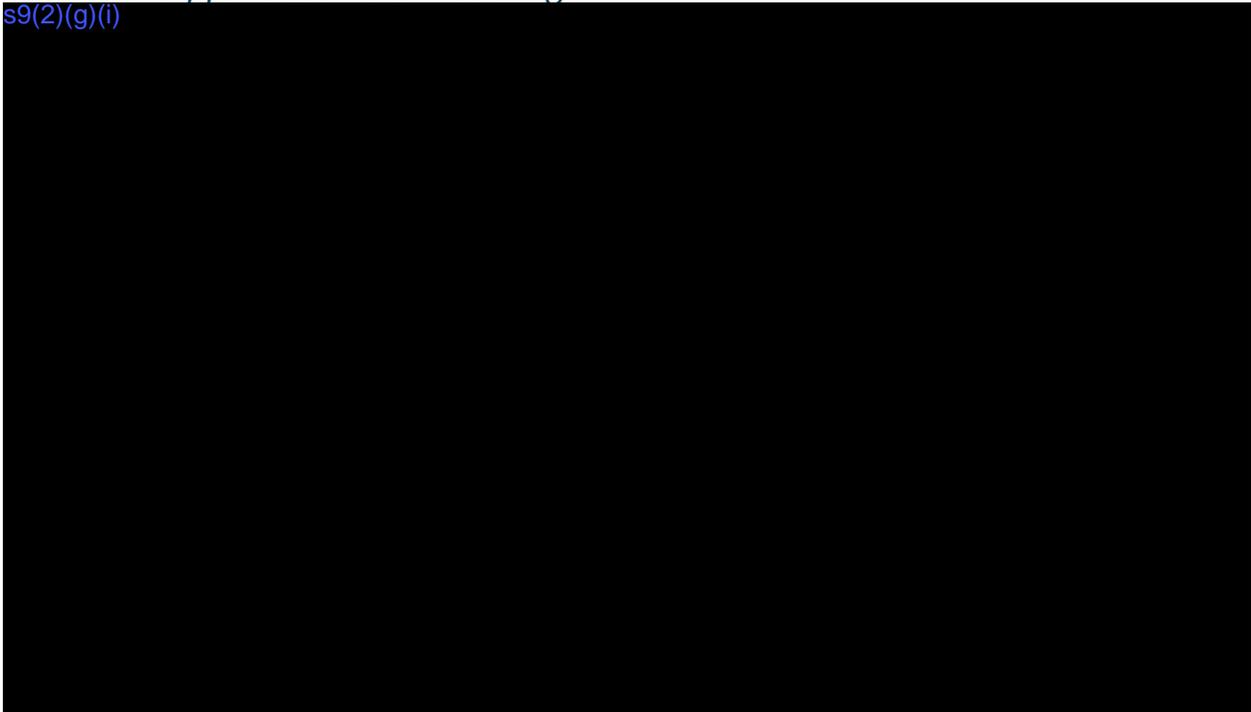
The factors above mean that the current Programme is unable to ensure that the long-term safety and security performance of the system can be sustained. It also restricts CAA's ability to enable innovation, and to fully realise its role as an enabler of economic, social, and environmental benefits for New Zealand.

To address the impact of regulatory activities on the aviation industry, and unlock economic growth, New Zealand requires Civil Aviation Rules that are:

- Aligned to the international aviation system, where appropriate.
- Fit for purpose for modern aviation practices and technologies.
- Able to be updated/amended/introduced and implemented quickly and with least cost to the sector.

A Future Approach to Rules-Making

s9(2)(g)(i)



We would welcome the opportunity to discuss this proposal with you further at our first officials' meeting.

Advanced Aviation Reform

On 24 September 2024, Minister Collins (as the Minister for Space and Advanced Aviation) announced the Government's goal that, by the end of 2025, New Zealand will have a world-class regulatory environment that allows rapid iteration and testing of advanced aviation vehicles and technology, while maintaining high standards of safety.

In response to the announcement, CAA is leading the following workstreams:

- Creating a new Civil Aviation Rule part "*for experimental or developmental aircraft and systems operations to allow rapid iteration and testing of advanced aviation vehicles and technologies.*"
- Updating existing Rules to ease compliance for a number of unmanned aircraft operations which previously would require certification.
- Exploring options for obtaining regulatory advice from external third parties.

We are also supporting the Ministry in the delivery of its workstreams to develop a new emerging technologies programme, explore options for cost recovery services for complex certification applications, and enable permanently restricted airspace to work in conjunction with the new Civil Aviation Rule.

Delivery of these workstream will enable CAA to address participant concerns around the timeliness of its certifications and costs in relation to emerging technologies.

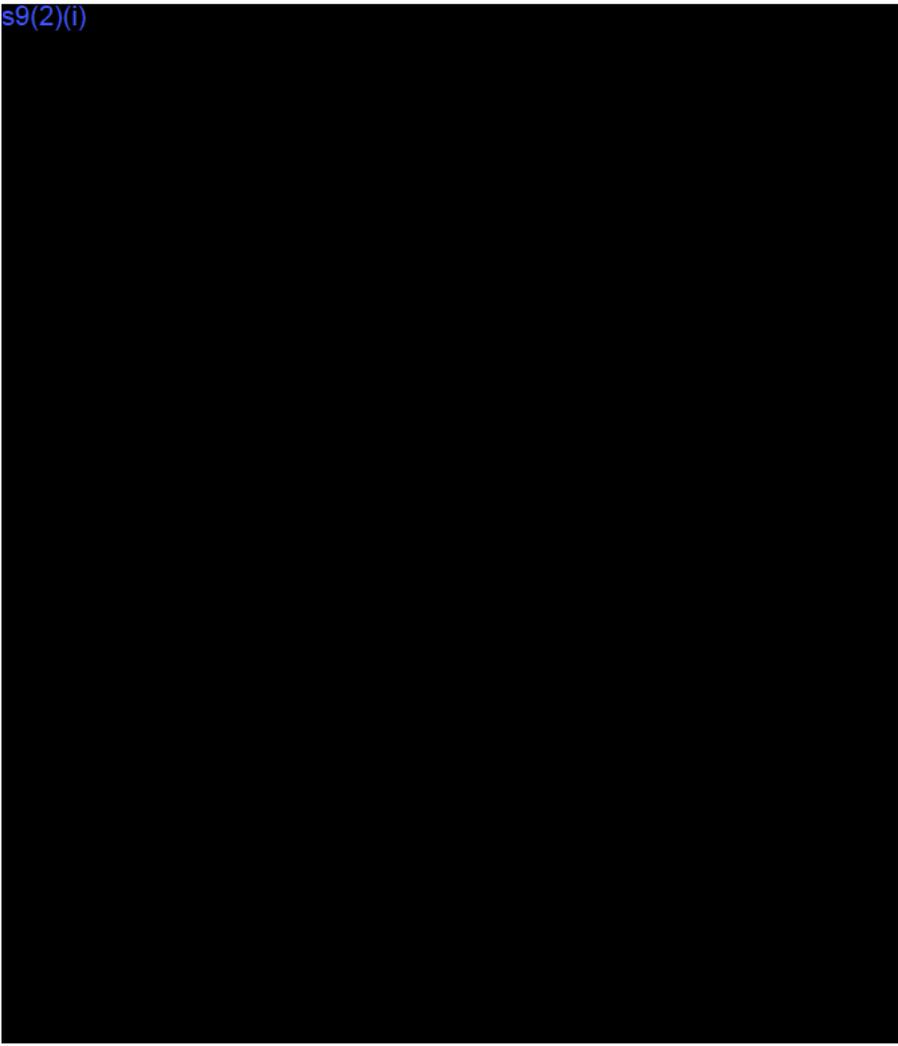
Key dates and actions

Date (2025)	Activity
First meeting with you	Discuss the proposal for a streamlined Rules development process.
Mid-2025 (TBC)	The Notice of Proposed Rule Making for the regulatory components is released for public consultation.
Late 2025 (TBC)	The Ministry will ask you to approve Advanced Aviation Reform rule changes.
By December 2025	The Advanced Aviation Reform launches.
TBC	The Ministry will ask you to include the ICAO Alignment policy project on the Transport Rules Programme.

Risks and Issues

This section outlines CAA activities that may be of interest to media and its unions in the short-term. The information is provided for your reference. We are available to assist your office if any media queries are received.

Activity	Status
Consultation on possible changes to the delivery of Aviation Security Services	<p>The Civil Aviation Act 2023 allows for airports or airlines to provide aviation security services.</p> <p>Targeted consultation on alternative delivery models for aviation security services was undertaken in late 2024 to investigate alternative ways aviation security services could be delivered. The purpose of this consultation was to gauge interest of airports and/or airlines to deliver specific aviation security services at airports.</p> <p>A number of thorough submissions were provided, including one from CAA, and the Ministry of Transport is working on advice regarding next steps.</p> <p>The Ministry will provide advice to new Ministers in due course. The CAA will support the Minister and Ministry in ensuring the success of any next steps, to maintain effective and efficient aviation security delivery.</p>

Activity	Status
	All three unions have expressed concerns for the safety of system users if AvSec was privatised in the future.
Collective Bargaining	<p data-bbox="544 331 1422 443">In 2025, CAA has collective bargaining due for the two separate Multi Union Collective Agreements (MUCAs) for frontline AvSec employees represented by Etū, NUPE, and PSA.</p> <p data-bbox="544 488 1390 636">The CAA agreement expires 30 June 2026. A sunset provision could bring forward expiry by one year, to 30 June 2025, if agreement is not achieved within our Remuneration Forum in April 2025.</p> <p data-bbox="544 651 624 680">s9(2)(i)</p> 
Flexible Working Policy	In 2024, the Government reset expectations for the public service on working from home. These expectations were supported by our culture assessment which highlighted that working from home is out of balance and is having an impact on both our culture and the collaboration and cohesion within teams and between functions day-to-day.

Activity	Status
	To balance this and meet the Government expectations, we will be putting more structure and guidance on working from home. This includes putting in place formalised arrangements.
s9(2)(g)(i)	

