

REGULATORY SAFETY AND SECURITY STRATEGY

2022–2027

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Director's foreword

We are New Zealand's specialist aviation regulatory safety and security organisation. Our work is vital as it not only protects life; it also enables travel, recreation, commerce, and protects the environment. It provides confidence and protects the reputation of New Zealand. It supports and enables a safe and secure aviation system which benefits our country.

This regulatory strategy describes our role and purpose, our regulatory approach, the functions we perform, and what we plan to do to succeed.

Our regulatory approach is informed by our organisation's beliefs. We believe in keeping people safe and secure; enabling participation in the aviation system; and making a difference. We want people to finish their flights safely. We don't want anyone to experience the anguish of losing a loved one to a preventable tragedy. No one should suffer that pain.

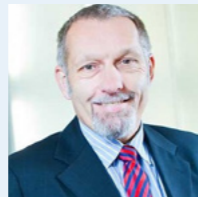
New Zealanders expect that we will perform our functions and deal with them in a professional way, with respect and integrity.

How we work will be characterised by our ability to lead and influence safety and security in the aviation system; our contribution to regulatory stewardship – ensuring that the conventions, laws, regulations, and rules that govern aviation activity are fit for purpose; and by our professional regulatory practice – applying regulatory requirements in a thoughtful and considered manner.

What we do will be informed by our understanding of risks and the best ways to address them, rather than by looking narrowly at compliance with rules. This includes blending our workplace health and safety regulatory role with the often-prescriptive requirements that can drive specialist regulators such as we are. It also includes thinking creatively about whatever we can do to influence behaviour to reduce risks – beyond just the use of statutory tools.

We strive to be a values-led organisation, informed by our beliefs and by providing our people with a respectful, inclusive, and safe work environment that is challenging and rewarding. We look forward to reaching out and starting our engagement with Māori.

My view of success is where those we meet acknowledge the value of their interactions with us, and we are known as a high-performing team that constantly looks in the mirror. One that makes sure it's doing the right things in the right way to keep people safe and secure, help New Zealand grow and make a difference each and every day.



Keith Manch
Chief Executive and
Director of Civil Aviation

Introduction

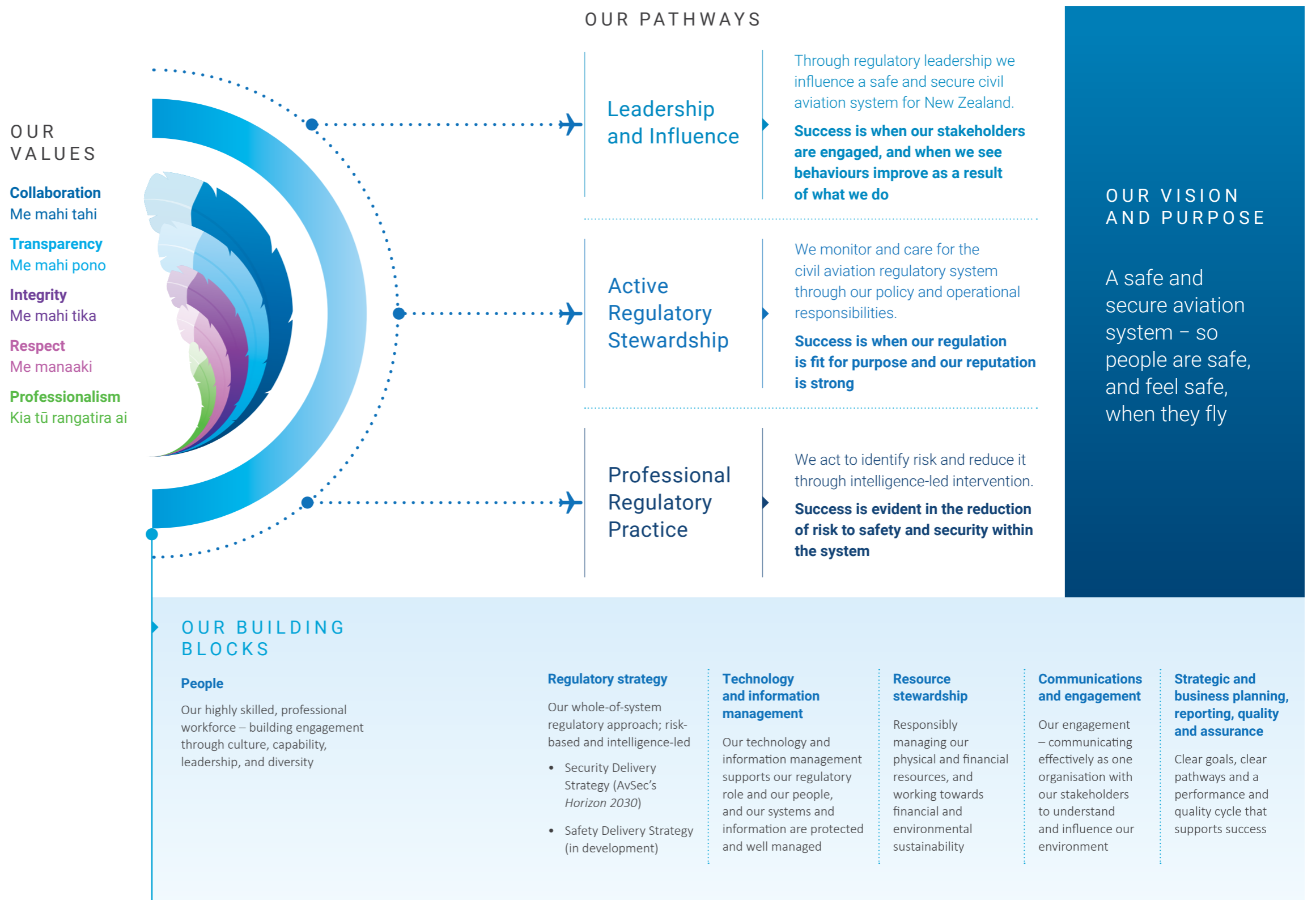


Our regulatory strategy

This regulatory strategy sets out the approach that we, the Civil Aviation Authority¹ (the Authority), are taking as we perform our regulatory role. The strategy will help our people and stakeholders understand the nature of our role as a regulator and how we approach it².

The strategy sits within the Authority’s strategic framework which describes the Authority’s vision and purpose. To give effect to the strategy, there is a *Regulatory Action Plan* which details the things we will do to implement the strategy. The strategy has a medium-term focus, whereas the action plan has a 12-month duration.

Figure 1: Our strategic framework



¹ The Civil Aviation Authority is referred to in this regulatory strategy as ‘the Authority’ wherever it is the legal entity that is specifically referred to. Similarly, the Director of Civil Aviation is referred to as ‘the Director’ where specific reference to that statutory role is needed. Otherwise, the convention of referring to their combined regulatory roles in the singular as, ‘we’, ‘us’, ‘our’, or ‘the regulator’ is adopted herein.

² For further information about our regulatory approach, see our current *Statement of Intent*, and the annual *Statement of Performance Expectations* (both available on our website).

Our authorising environment

The Authority operates under a suite of legislation. Collectively this enables us to provide appropriate stewardship, leadership, and oversight of the Aviation System. The legislation we operate under supports our key three guiding principles (see page 13) to inform and underpin the development, execution, and review of our regulatory approach.

Civil Aviation Act 1990

The Civil Aviation Act 1990 governs the civil aviation system in New Zealand. It sets the overall statutory framework for aviation safety, security, and economic regulation.

A Bill to amend this Act is under development. It provides an opportunity to revise the Authority’s primary legislation to deliver a modern and future-proofed regulatory framework.

Aviation Crimes Act 1972

This Act provides for a range of criminal offences and powers of search.

Health and Safety at Work (Civil Aviation Authority of New Zealand) Agency Designation 2015

In addition to WorkSafe (New Zealand’s primary workplace health and safety regulator) the Authority is a designated agency performing functions and exercising powers under the Health and Safety at Work Act 2015 (see below) in respect to the aviation sector.

Health and Safety at Work Act 2015

The Health and Safety at Work Act 2015 (HSWA) provides for a balanced framework to secure the health and safety of workers and workplaces. Under HSWA, the Authority may perform all functions and exercise all the powers of WorkSafe relating to work to prepare an aircraft for imminent flight; work on board an aircraft for the purpose of imminent flight or while in operation; and aircraft as workplaces while in operation.

Hazardous Substances and New Organisms Act 1996

The Hazardous Substances and New Organisms Act 1996 (HSNO) protects the environment, and the health and safety of people and communities, by preventing or managing the adverse effects of hazardous substances and new organisms. Under HSNO, the Director must ensure that its provisions are enforced in or on any aircraft, and that its provisions relating to the discharge of hazardous substances from an aircraft are enforced.

International Civil Aviation Organization

ICAO was established in 1944 to manage the administration and governance of the Convention on International Civil Aviation (the Chicago Convention). ICAO is a United Nations specialised agency.

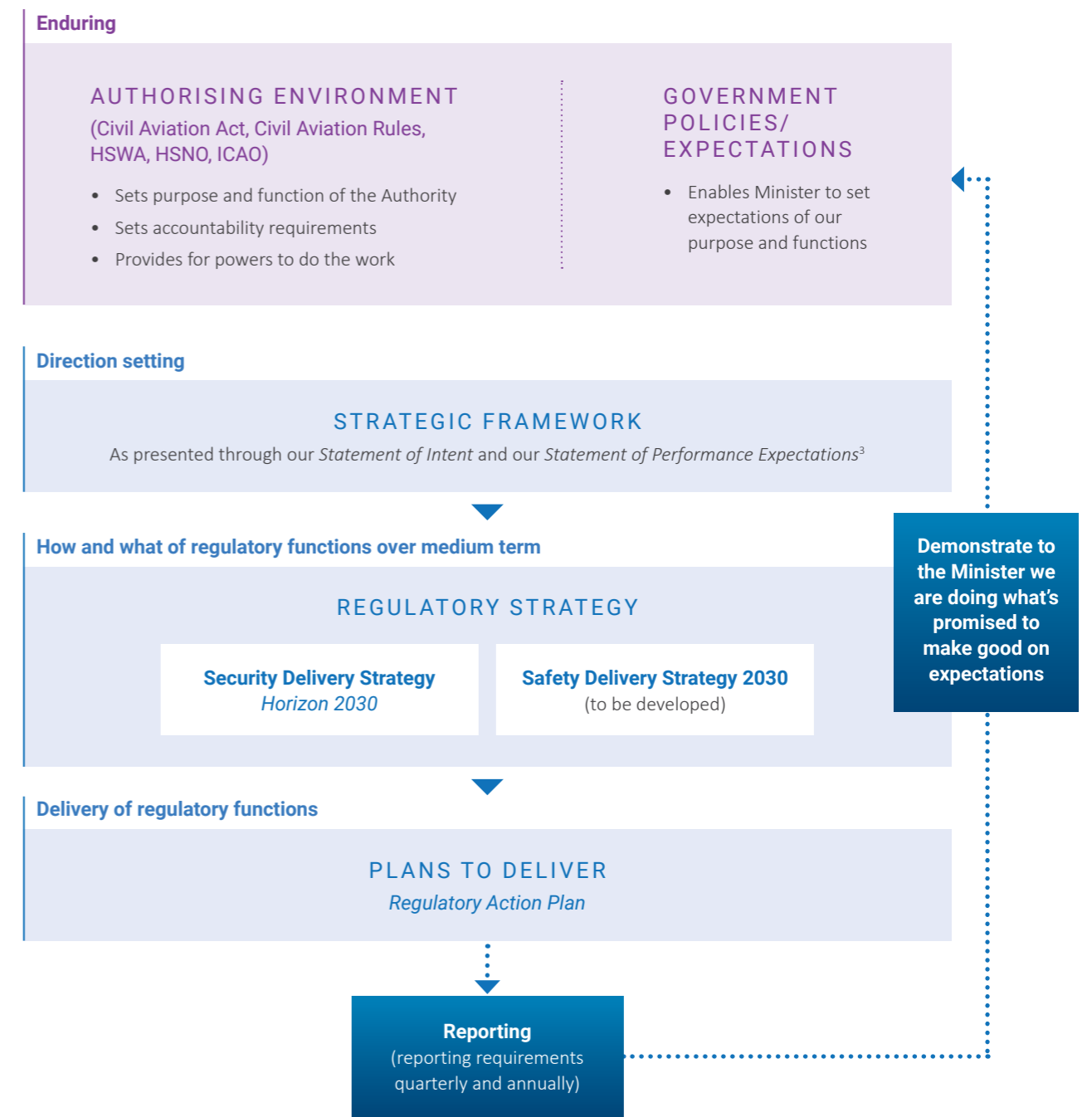
Government expectations

Annually, the Minister of Transport provides us with a Letter of Expectations which sets out the New Zealand Government’s expectations of how we should deliver on our purpose and functions within the Government’s wider transport and other policy settings.

We are beginning our journey on how to engage with Māori and we will update our regulatory strategy to reflect the progress made.

The relationship between our authorising environment and our suite of guiding and reporting documents is illustrated in Figure 2.

Figure 2: Our authorising environment and related guiding documents



³ Our current *Statement of Intent* and *Statement of Performance Expectations* are each available on our website. For more information on our role as a Crown entity, and on the Government’s wider transport sector outcomes framework, see our *Statement of Intent*.

PART ONE

Our regulatory direction and intentions



Our role and purpose

The Authority's overarching legislative mandate 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.

We work together with the domestic and international aviation and security communities to maintain and develop New Zealand's civil aviation system, and to achieve standards of aviation safety and security that are widely respected internationally and that, above all, are effective at keeping people safe and secure.

Our responsibility for keeping people safe and secure is to the public of New Zealand and to all users and providers of aviation services.

We also have a vital role to play in supporting and enabling an aviation system which helps New Zealand grow. The aviation system makes a strong contribution to the well-being of New Zealanders through providing economic and social opportunities and benefits.

International undertakings and obligations

We are part of the global aviation system together with the Ministry of Transport. We must meet and maintain the standards and practices set by ICAO. The Authority is the New Zealand Government's designated agency for managing interactions with ICAO regarding technical safety and security matters.

We are party to numerous civil aviation agreements and arrangements with other countries whereby commitments to mutual or reciprocal regulatory recognition, harmonisation, and cooperation are established. This includes practices required by some states to align security requirements.⁴

Our relationships with Australia and with Pacific Island States are especially strong.

⁴ These encompass the network of states that we work most closely with (Australia, the United Kingdom, Canada, and the United States of America).

Our guiding principles

We use three fundamental principles to guide, inform and underpin the development, delivery and review of our regulatory approach. They are the basis for the decisions we make, the work priorities we focus on, and the standards we set for ourselves and for civil aviation participants⁵. They determine much of what we do as a regulator. They are:

Public safety and security are paramount

Our prime duty is to protect the public by seeking and obtaining assurance that risks to public safety and security are being properly managed. The aviation system also serves to protect the safety of people who work in aviation, and of people who engage in recreational aviation. We will actively seek to identify and respond to unsafe practice or unacceptable risk.

A safe and secure aviation system is a shared responsibility

Participants have a fundamental responsibility to act and operate safely and securely within the scope of the privileges they hold. We work together with the domestic and international aviation community to support this responsibility, and to provide a safe and secure aviation system. We aim to engage clearly and efficiently with participants and will demonstrate our organisational values in doing so.

Collective learning and continuous improvement are critical

Continuous improvement within the aviation system, and of the overall system itself, depends on a trusted culture of collective learning tied to open reporting by participants of occurrences.⁶ Together with the aviation community, we encourage, support, and protect a trusted culture. We have a mutual interest in openly sharing and learning from information about risks, and in working to prevent accidents and illegal acts of interference on aircraft by identifying and solving the underlying problems.

⁵ Participants are broadly defined to include any person or organisation taking part in civil aviation activities. This includes passengers as well as any person or organisation who does or is proposing to do anything for which an aviation document is required. Aviation document holders include organisations that hold certificates to operate, such as airlines, aerodromes, an air navigation service provider, flying schools, and aircraft maintenance providers. They also include individual licence holders, such as pilots, aircraft engineers, and air traffic controllers.

⁶ For further information about the value of reporting occurrences, see our publication, *How to report occurrences* (available on our website).

Responding to our operating environment

Impact of COVID-19 pandemic

The COVID-19 pandemic has had a huge impact on the civil aviation community in New Zealand and around the world. While the pandemic does not fundamentally alter our regulatory approach to safety and security, it has altered the flow and volume of day-to-day demand for our services and the nature and prioritisation of our work. We will continue to support and assist operators by providing regulatory relief in the form of exemptions and General Directions⁷ to help them stay in business and maintain safety and security standards while the pandemic endures.

As an agency largely funded by levies paid by civil aviation operators and passengers, the impact of the pandemic on our financial resources has been significant. Our reserves are fully depleted and these impacts will continue to be felt for quite some time. We continue to examine our regulatory capabilities and capacity together with the goal of achieving improved efficiency and effectiveness in the way we perform our regulatory functions. In doing this, we strive to maintain and improve our ability to preserve the safety and security standards and reputation of the New Zealand aviation sector as it evolves.

Our security service delivery function has responded by reprioritising security screening capital investment, reassigning our people to support the whole-of-government pandemic response, and resizing the workforce to be proportionate to changes in demand.

We continue to provide ongoing advice to government about the timing and nature of recovery within the aviation sector, its financial situation, and the implications for our operations and financial position. In doing so, we are mindful that enduring changes within aviation resulting from the pandemic are likely to emerge. We seek to identify any such changes and, in conjunction with participants, to understand the implications for the sector at large and for our regulatory role in particular.

Aviation risks and prioritisation of effort

Figure 3 illustrates our regulatory priorities in relation to the nature of aviation operations and activities.

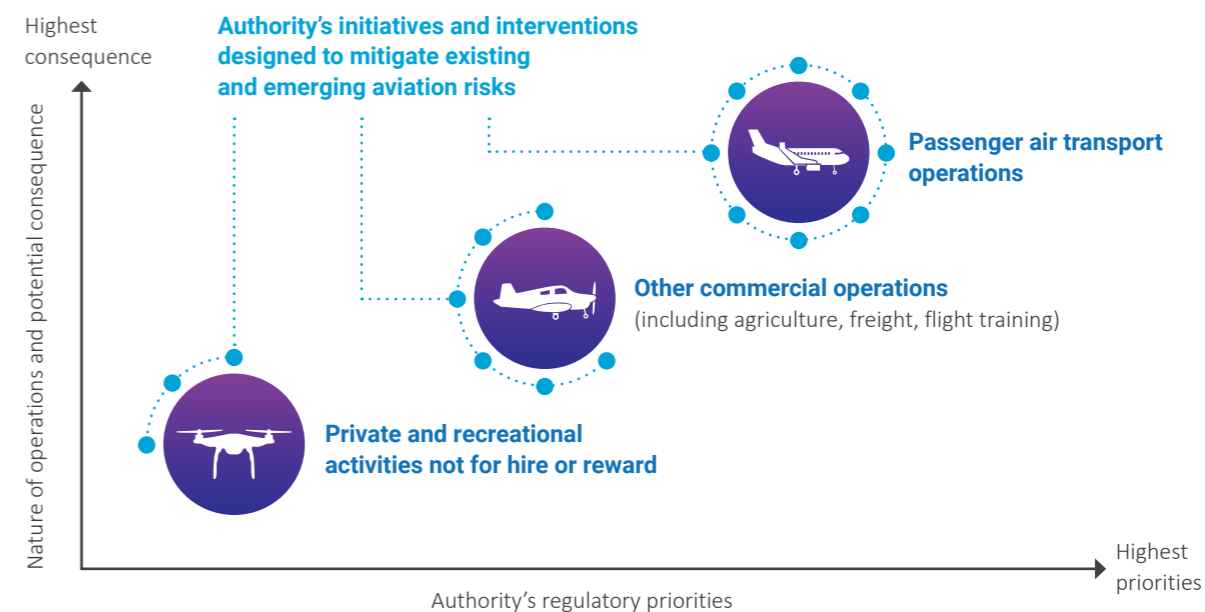
When we think about aviation risks, we think about the likelihood of an occurrence in combination with the potential magnitude of its consequences. With passenger air transport operations, the potential consequences of an accident or security event are severe in the extreme. Accordingly, there is a very high expectation of safety and security, and a low level of acceptance of risk, by passengers and by the public. For us, public safety and security are paramount.

We place the highest importance in our regulatory approach on work programmes and activities that are related to passenger-carrying operations, and on addressing issues arising that involve significant risk to public safety and security. To ensure civil aviation in New Zealand stays well protected as global security threats continue to evolve, we continue to rely on the innovation and modernisation of our screening and other security technologies and infrastructure.⁸

With other types of aviation operations and activities, the potential consequences of accidents and incidents are generally less severe, including any impact on third parties. We therefore assign different orders of regulatory priority to them according to the nature of the risks involved.⁹

Across and within the whole aviation system, we pursue – together with the aviation community – continual improvement in aviation safety and security performance by identifying and reducing areas of significant and critical risk. With our intelligence-led, risk-based approach, we seek to understand the underlying issues and causes, and to develop safety and security initiatives and interventions designed to solve the problems identified. Such interventions and initiatives are vital to our regulatory approach and are integrated into our priorities and work programmes.¹⁰

Figure 3: Our regulatory priorities in relation to the nature of aviation operations and activities



The aviation system

Aviation is part of a wider transport system that moves people and goods over land, sea, and in the air. New Zealand is also part of the global aviation network. A safe and secure civil aviation system supports New Zealand's economic prosperity. With our geographical location, the great bulk of travel to and from New Zealand is by air. Our tourism industry in particular is heavily dependent on international air travel. Domestically, there is extensive reliance on internal air travel. And our international and domestic supply chains move large volumes of cargo by air.

Given our high reliance on air travel internationally and domestically, significant disruption to our aviation system will have severe consequences for the country and for the Government's transport sector outcomes.

Aviation in New Zealand is characterised by a high number and wide variety of operations considering the size of our country and its population. Each part of the system has unique characteristics and challenges, personnel, operators, passengers, and supporting infrastructure. Figure 3 is based on, broadly, the three main sectors operating in our civil aviation system.

1. Passenger air transport operations (commercial)

People and organisations using aircraft to provide passenger services for hire or reward. Includes helicopters as well as large, medium and small passenger aeroplanes. Includes aviation adventure services.

2. Other commercial operations (agriculture, freight, logging, flight training, etc.)

People and organisations using aircraft to carry out non-passenger aerial operations for hire or reward, such as crop spraying, topdressing, carriage of freight, logging, flight training, and commercial photography using remotely piloted aircraft (drones).

3. Private and recreational activities not for hire or reward

People and organisations flying for non-commercial reasons. Includes parachuting as well as flying aeroplanes, microlights, hot air balloons, and remotely piloted aircraft (drones).

7 Medical General Directions as specified under section 27G of the Civil Aviation Act 1990.

8 Under the Civil Aviation Act, we are expected to explore and stay abreast of opportunities to improve the security of civil aviation in New Zealand including the use of new technologies. Our present modernisation programme includes new scanning technologies for body scanning, baggage scanning, and detection of explosives. Future initiatives include trialling the use of artificial intelligence in our security activities and processes.

9 In this regard, note too that the Civil Aviation Rules set different entry and operating standards for different aviation activities commensurate with the nature of the different inherent risks associated with them.

10 In this context, we are using the term 'regulatory intervention' to mean the design, implementation, and evaluation of integrated sets of specific activities focused on targeting significant safety and security concerns emerging within the aviation system.

A performance-based approach to requirements

The civil aviation system is described by the Civil Aviation Rules, which are largely based on prescriptive requirements including processes, procedures, and technical standards. The aviation system is, however, now also introducing a performance-based approach.

A recent example is the safety rule requiring aviation organisations to establish, implement and maintain a system for safety management.¹¹ This is an approach that focuses on desired outcomes and the measurement of safety performance. Participants are not given specific direction or prescription about how to achieve the outcomes. They are assessed and monitored on their ability to meet safety performance targets and to manage safety risk.

Prescriptive rules, however, still form a key part of aviation safety and security risk management. For example, most rules, particularly those associated with aircraft operating requirements together with the transport of dangerous goods, are intentionally prescriptive and will likely remain so.

Our approach is therefore to strike a balance between specifications-based rule drafting and performance-based rule drafting.

Additionally, our role as a work and workplace regulator under the Health and Safety at Work Act (HSWA) provides us with a performance-based legislative framework to use in conjunction with our substantive role under the Civil Aviation Act.¹² In our operational policy and activities, we are steadily working towards blending, from both Acts, the functions we must perform and the powers we may exercise, rather than seeing each Act as a separate workstream. A fully integrated approach provides us with synergies not only in securing the health and safety of aviation workers and workplaces, but also in addressing aviation safety performance. For example, we recognise that human factors (such as fatigue, and the use of alcohol and drugs) are a critical component of safety performance and may be better addressed under HSWA.

Innovation and new aviation technologies

Radically new aviation technologies continue to emerge. They significantly influence our priorities and work programmes. We support civil aviation in New Zealand and around the world to grow and prosper by encouraging and seeking to add value to the opportunities for innovation they present.

We aim to ensure there are no unnecessary barriers to uptake in the aviation system, while at the same time ensuring that risks to safety and security are adequately understood, managed and monitored. We work closely with international aviation agencies and other New Zealand Government agencies to enable this. We will develop rules and standards designed to bring advances into the system in a safe and timely manner.

Our challenge is to balance this new ‘enabling’ approach against the imperative of making sure that public safety and security remains paramount. We are committed to this new regulatory approach, acknowledging it demands a greater capability and capacity than the traditional compliance-based approach of the past.

Emerging technologies bring additional complexity into the aviation and regulatory systems. They test and challenge traditional aviation models and ways of thinking. Our regulatory stewardship role requires us to ensure the systems remain fit for purpose as we facilitate and authorise the operation of new technologies. For example, in the case of remotely piloted aircraft and aircraft systems (large and small), we will need to cater for non-traditional aviation personnel and adapt our approaches and methodologies accordingly. Another example of future technologies is, in the face of climate change, the present development of alternative aviation energy sources and the related aircraft propulsion systems.

In summary, a rapidly evolving aviation system brings significant challenges to the capability and capacity of the sector and regulator alike. We will work with the sector and alongside other agencies to develop solutions to these challenges while being mindful of our role as a safety and security regulator.

PART TWO

The regulatory models we are using



¹¹ Refer to Civil Aviation Rules, Part 100, *Safety Management* (1 February 2016). ‘The objective of Part 100 is to introduce new rules to improve New Zealand’s aviation safety performance in a way that embeds an effective safety culture in aviation organisations.’

¹² The scope of the Authority’s regulatory role under HSWA is: work to prepare an aircraft for imminent flight; work on board an aircraft for the purpose of imminent flight or while in operation; and aircraft as workplaces while in operation.

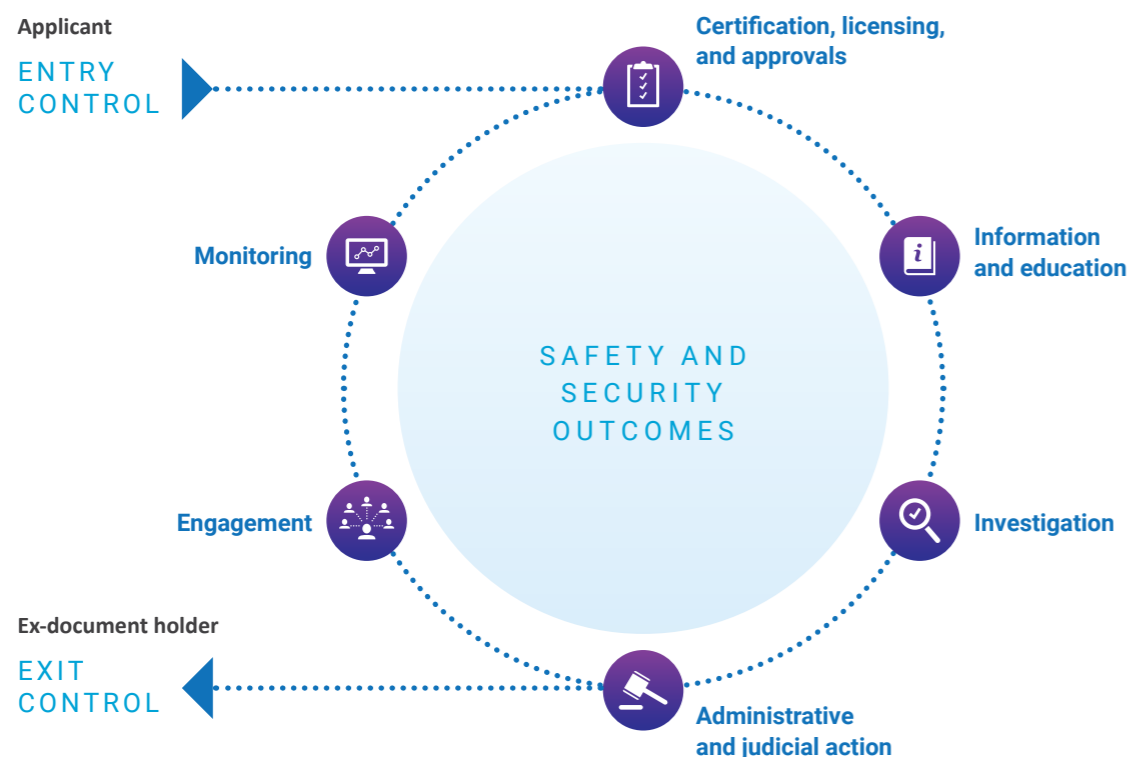
A closed civil aviation system

The civil aviation system is, with few exceptions, a closed system. We are responsible for controlling and authorising entry into it, for providing assurance that the overall system and the participants within it are functioning safely and securely, and for identifying and addressing situations of risk and non-compliance with requirements.

We work with participants and with leadership within the aviation community to ensure the system continues to function effectively and to consider ways of improving it. Aviation participants are responsible for understanding and fulfilling the requirements placed upon them by legislation and by the civil aviation rules. We support this responsibility by providing and fostering information, advice, and education to participants.

Figure 4 below provides a representation of the operational regulatory functions carried out by the Authority to manage the life cycle of aviation documents within the civil aviation system. It is important to note that not all participants in the system are required to hold aviation documents. We exercise our operational functions in relation to all participants, not just in relation to the privileges exercised by document holders.

Figure 4: Life cycle of aviation documents



Our intelligence-led, risk-based approach

Intelligence is information for action. The nature of the aviation risks identified by our intelligence will inform the actions we take in response to the risks.

Our approach is based on gathering, analysing, and using data and information from a range of external and internal sources to develop intelligence that informs our processes for identifying, assessing, prioritising, and responding to safety and security risks in the civil aviation system. We rely in large part upon high-quality reporting by participants of occurrences. We seek to improve the quality and level of safety information reported to us by promoting and encouraging full, accurate, and timely notification of occurrences.

We aim to build a comprehensive risk picture of the overall system and of the entities we regulate. We take a systems approach when assessing risks and deploying resources to enhance performance. We also identify and recognise the areas of the system that are working well and adjust our approach accordingly.

In short, we rely on data and information to provide intelligence that informs the formulation of our strategic and operational policies and plans, and that consequently enables us to achieve our safety and security goals.

A key security priority for us is strengthening our ability to identify and respond to aviation security risks. As global security threats and risks continue to evolve and become more sophisticated, we need to continue obtaining advances in intelligence gathering and in shaping the nature and focus of our security approaches and activities.

Our regulatory decision-making model

This model is designed to guide our people in identifying, assessing, prioritising and responding to aviation safety and security risks, including unsafe practices, emerging issues, and trends. The types of aviation risk involved may be characterised broadly as:

- System risk
- Sector risk
- Operator risk
- Individual risk
- Aircraft and aeronautical product risk

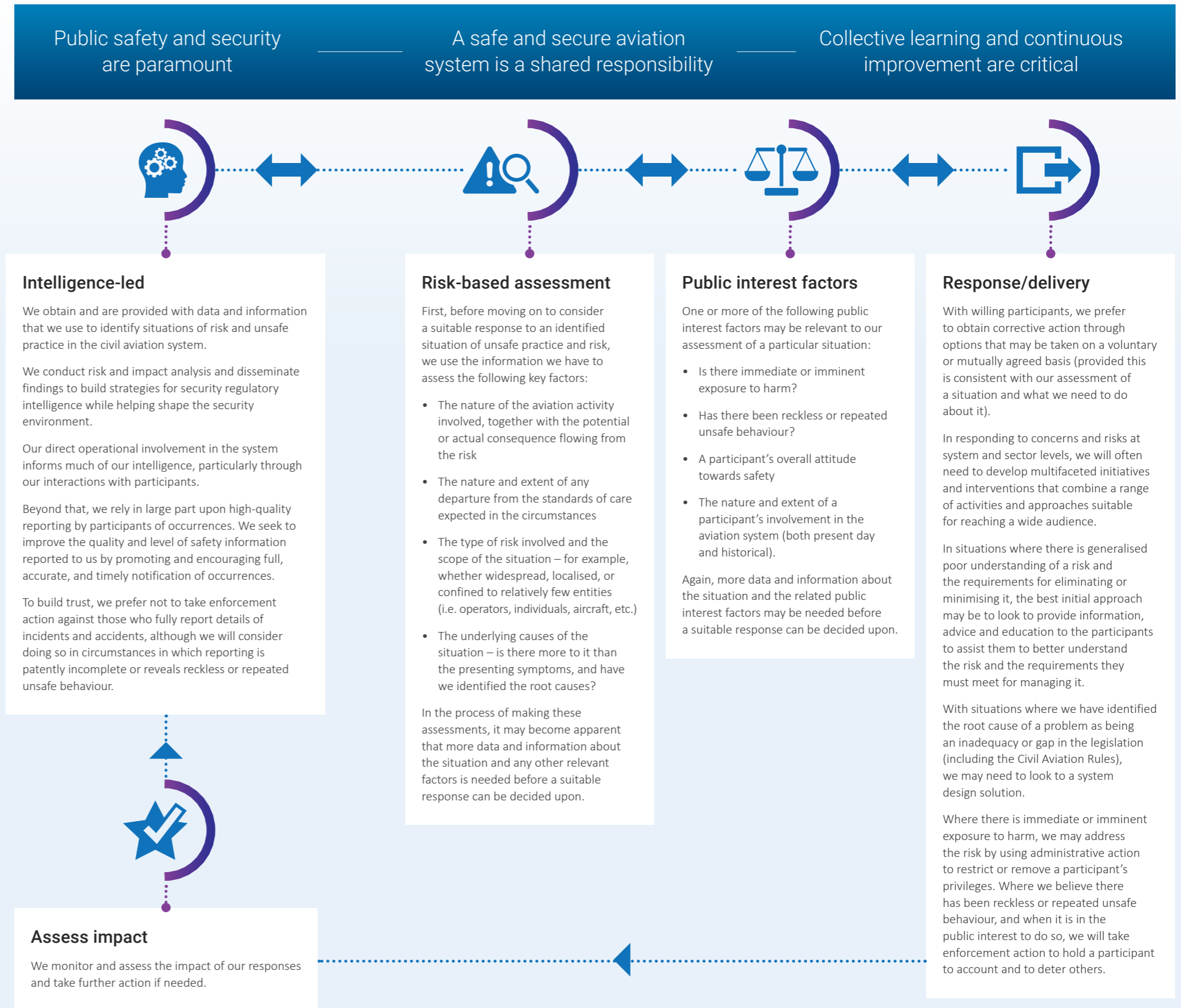
The scope of the model applies to all our regulatory functions. Our fundamental guiding principles are central to the model, as is our intelligence-led, risk-based approach. Timely and effective responses to identified risks and unsafe practices are sought that are proportionate to their specific nature.

The model proceeds in a series of stages leading from gathering information and assessing what that tells us about a particular situation, through to determining and delivering a response, and then evaluating the impact of the response. The process of moving through stages is intended to be an iterative problem-solving approach. We will often need to go back and forth between stages to ensure we have sufficient information about situations and our options for responding.

Where our intelligence points to concerns and risks at system and sector levels – in comparison to the other types of risk – deeper analysis and extensive sector engagement is often required to fully understand the scope and causes of the problems involved, and to develop solutions in concert with a wide audience.

Before embarking on any particular response, we need to be satisfied as to its priority and the likelihood of our response being effective.

In evaluating the impact of a response, we monitor the results to determine whether we have achieved our objectives and whether further action is necessary.



Dealing with significant aviation risks

A significant risk to aviation safety and security exists when deviation from regulatory requirements creates the potential to cause serious harm or loss of life.

Irrespective of how it comes to our attention, when faced with a significant risk to public safety or security, we will take swift and decisive action to ensure the risk is eliminated or reduced to an acceptable level. Our people will utilise a suitable regulatory tool (or combination of tools) aimed at ensuring an acceptable level of safety or security, while being proportionate to the nature of the risk involved. Our choice of tools will be influenced by the nature of the failure and its causes, together with the compliance history and attitude to safety and security of the persons and/or organisation involved.

Our Regulatory Safety Management System (RSMS) is an internal system and forum central to our efforts to identify and address continuing poor performance and safety and security risks in the civil aviation system. With RSMS, we use risk management practices to examine not only present and persisting risks but also potential future risks. The RSMS is designed to foster a collaborative approach to analysis and problem solving both within the Authority and, where appropriate, externally within the aviation community. We seek to understand the underlying issues and causes, and to develop regulatory initiatives and interventions aimed at significant safety and security concerns persisting or emerging within the aviation system. Sharing insights from our analyses and progress with the aviation community is key to the effectiveness of our efforts.

In our delivery of our regulatory security function, we use purpose-built internal quality assurance systems to ensure we are identifying and targeting security delivery risks effectively.

Evidence-based decision-making

In the case of decisions regarding the choice of regulatory activities and interventions it is critical that our decisions are documented, including capturing the evidence that was considered and the reasoning behind the decisions taken. This is necessary to ensure the transparency of our decision-making, and to demonstrate that our decisions are made impartially with fairness and consistency, in a timely and responsive manner.

Documentation should also be sufficient and appropriate, as outlined below:

- Sufficiency is a measure of the quantity of evidence used to support conclusions reached related to the original information supplied. In assessing sufficiency consideration needs to be given to whether enough evidence has been obtained to persuade a knowledgeable person that any decisions arrived at are reasonable.
- Appropriateness is the measure of the quality of evidence that encompasses its relevance, validity, and reliability in providing support to the conclusions arrived at. In assessing the overall appropriateness of evidence, consideration needs to be given to whether the evidence is relevant, valid, and reliable.

PART THREE

Delivering our regulatory functions

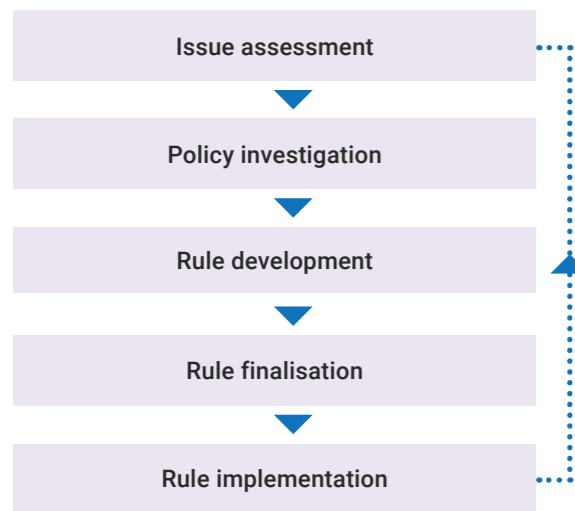


Our system design role

The Authority’s regulatory stewardship role requires us, in conjunction with the Ministry of Transport, to perform functions that affect the design of the civil aviation system itself by ensuring the whole system remains safe and secure. Also, we engage with the lead agencies for the health and safety at work and hazardous substances legislation to ensure our overlapping responsibilities in respect of aviation remain clear and effective.¹³

The design of the aviation regulatory system is continuously changing and evolving. New technologies emerge, international standards change, or existing rule requirements may be resulting in unintended safety, security and economic outcomes. To ensure that the design of the aviation regulatory system remains effective, the Minister of Transport contracts the Authority to develop regulatory policy and the associated Civil Aviation Rules.

System design progresses through the following stages:



During the issue assessment stage, problems that may require regulatory system change are analysed for their safety, security, and economic impacts. A panel approves options for regulatory change and refers issues for more in-depth policy investigation.

The policy investigation stage involves a more rigorous analysis of the problem. During this stage issues are widely consulted on with the aviation sector and relevant

experts. If it is determined that the Civil Aviation Rules require amendment, the Authority will conduct a formal Regulatory Impact Analysis and present proposals for change to the Ministry of Transport.

The Ministry of Transport signifies agreement with proposals for change by adding rule development projects to the Minister’s Transport Rules Programme. During this stage, we publish a detailed outline of the proposed changes via a Notice of Proposed Rulemaking (NPRM).

Following formal consultation with stakeholders on the NPRM proposals, a final rule package is developed and offered to the Minister of Transport for their signature, thereby formalising the regulatory design change in the Civil Aviation Rules.

In implementing rule changes and new rules, the Authority develops and delivers external guidance to inform, advise and otherwise assist the sector to understand and meet the new requirements (including guidance about acceptable means of compliance). We also develop internal operational guidance and build the requisite people capability.

Once implemented, the effectiveness of the new rule is monitored on an ongoing basis for any issues arising.

Running in parallel with the processes for system design changes, we engage internationally to strategically influence international standards impacting on aviation system design. The Authority maintains formal engagement relationships with ICAO, as well as with other state aviation regulatory authorities worldwide¹⁴. Through a range of diplomatic and technical relationships, we strive to ensure that international standards and agreements reflect the regulatory outcomes desired by New Zealand.

¹³ The lead agencies for this legislation are the Ministry of Business, Innovation and Employment; WorkSafe New Zealand; and the Environmental Protection Authority.








¹⁴ Including, for example, the European Union Aviation Safety Agency, the International Air Transport Association, and the European Civil Aviation Council.

Our operational regulatory role

Our regulatory role requires that we perform functions to manage entry into the civil aviation system, to monitor the performance of document holders in the system, to assess and investigate occurrences, to identify and mitigate security threats, and to address unsatisfactory performance within the aviation system.

The table in Figure 5 below identifies our core operational regulatory functions. They are the means by which we deliver on our operational responsibilities under the Civil Aviation Act, Health and Safety at Work Act, and Hazardous Substances and New Organisms Act. The table provides a summary of what each is, including its purpose. These individual functions operate collectively and in an integrated way to give effect to the Authority’s overarching intentions and direction as expressed in this regulatory strategy. The functions can operate as a suite of tools in combination as well as in isolation as and when required.

Figure 5: Our core operational regulatory functions

Functions	High-level definitions
 Engagement	▶ We engage operationally and strategically with participants and other external stakeholders to deliver maximum regulatory benefit.
 Information and education	▶ We provide and foster information, advice, and education to assist the aviation community, together with passengers, to operate safely and securely.
 Security service delivery	▶ We provide security services at airports and at navigation facilities to keep passengers, aircrew, and others safe and secure on the ground and in the air.
 Certification and licensing	▶ We provide written assurance (a certificate, licence, or other approval) that the organisation, individual, aircraft, or product in question meets the specific requirements of the civil aviation rules that apply.
 Monitoring	▶ We plan and conduct activities to provide assurance that current certificates and licences remain valid; that relevant legislation is otherwise being met; and that aviation risks within the system are being identified and managed.
 Investigation	▶ We examine accidents, incidents, and other occurrences to ascertain what happened and why, and to determine appropriate responses, including actions to share lessons learned and prevent recurrences.
 Administrative and judicial action	▶ We use a range of administrative and judicial actions to obtain compliance, to address risk, to change behaviour, and to impose or seek penalties.



Engagement

We engage with participants and other external stakeholders to identify and address strategic and operational priorities. It is vitally important that we have strong working relationships with stakeholders across the aviation system, the wider transport sector, and others responsible for the security of New Zealanders.

To conduct our role in the public interest, our working relationships need to be founded on mutual respect, integrity, and effective communication with a mutual understanding of our role, responsibilities, and accountabilities. Our behaviours and the way we engage with our stakeholders are the foundation for a safer and more secure civil aviation system.

Our mode of engagement may take various forms, and examples include, but are not limited to:

1. Collaborating with other border control agencies, for example by supporting the COVID-19 managed isolation facilities.
2. Working with aviation sector participants to create risk profiles and agree action plans.
3. Seeking input in the development of Civil Aviation Rules and other legal instruments.
4. Maintaining formal engagement relationships with ICAO to meet our international obligations.
5. Fostering a cooperative and consultative relationship between people who have duties under the relevant health and safety legislation and the people to whom they owe duties.
6. Developing an appropriate pathway for engagement with Māori.



Information and education

We play an important role in the provision of information and the delivery of educational programmes to enable participants to effectively manage the aviation risks they encounter, and help their knowledge remain up to date, so that they can exercise their privileges safely.

Our delivery of these activities is driven by participants' needs, the demographics of the target audience and our understanding of current and emerging aviation safety and security risks. We publish and publicise requirements applying within our civil aviation system through various products to assist participants including, but not limited to: Good Aviation Practice (GAP) booklets, *Vector* magazine, Advisory Circulars, posters, and online guidance.



Security service delivery

We carry out a range of security activities at security designated airports and at security designated navigation facilities. They include various screening activities together with behavioural observation and other forms of monitoring and surveillance to detect and manage security threats. As well as persons committing crimes against aviation, or intent on doing so, the threats include explosives, weapons, dangerous goods, and other prohibited items. When necessary, we undertake searches of people, baggage, cargo, aircraft, facilities, and vehicles.

We screen departing international and domestic passengers and aircrew and their baggage. We screen airport workers with access to particular areas, and we screen bulk and duty-free goods passing through particular areas. We use explosives detection dogs to check cargo being carried on international passenger flights, and also to check aircraft and airport facilities. We use security patrols to monitor airport and navigation facilities and to control access to them.

We operate the airport identity card system for all security designated airports in New Zealand.



Certification and licensing

We exercise control over entry into, and continuing participation in, New Zealand's civil aviation system by issuing and amending aviation documents and other approvals for organisations, individuals, and products.

The aim is to ensure that people and organisations maintain the skills, knowledge, and attitude for safe and secure participation in the New Zealand civil aviation system, and that aviation products are safe. The types of certificates, licences and other approvals are wide-ranging and include pilot licences and air operator certificates, among others.

We will also assess participant petitions and, if appropriate, grant an exemption from any specified requirement in any ordinary rule relating to any person, aircraft, aeronautical product, aerodrome, or aviation-related service.

We manage our commitments to bilateral international agreements and arrangements for mutual recognition in several ways. For example, we validate the certificates for imported aircraft that the exporting country's civil aviation authority has issued.



Monitoring

We monitor the system, sectors, operators and individuals to ensure that health, safety and security standards are met, and risks are managed (including entities other than participants, such as aircraft, aerodromes and aeronautical products).

We use a multidimensional approach to monitor and inspect the aviation system and proactively improve safety and security. To achieve this objective, we:

- Use our information sources to identify new and emerging issues, problems, and risks.
- Ensure our resource and focus is directed in areas that will benefit the aviation system most.
- Structure our monitoring programmes to target sectors, organisations and individuals by using a mixture of engagement, education, and sanctions to influence change.

The nature of monitoring activity will be determined by the risk and the circumstances presented and may take various forms.



Investigation

Investigations are vital to help us and the sector understand the nature and extent of the risks that exist within the aviation system. There are three main purposes for carrying out investigations:

1. **Causal** – to determine cause and to prevent a reoccurrence. The investigation may include an analysis of system defences and influences to enable potentially unsafe or insecure system states to be addressed or prevented. This includes internal quality assurance investigations to enable the security service delivery to evolve and enhance its performance.¹⁵
2. **Administrative** – investigations to determine the nature and extent of any safety or security risk involving a document holder, and to establish if action is required to mitigate or remove the risk to prevent future harm.
3. **Enforcement** – to determine if the law has been contravened. The investigation will establish and document relevant facts, reach appropriate conclusions based on the available evidence, and recommend a suitable response to take, including any action to enforce the legislation in the public interest.



Administrative and judicial action

Following the conclusion of an investigation it might be appropriate to take administrative action to mitigate the risk and/or to take enforcement action to ensure the duty holder is held accountable. The management of these separate processes is important to ensure that the principles of natural justice are upheld, and in relation to enforcement action that the application of the Solicitor-General's prosecution guidelines are adhered to.

In particular situations, our aviation security officers have powers to arrest and search people, and to seize particular items or substances.



¹⁵ The Transport Accident Investigation Commission also investigates aviation accidents and incidents. The purpose of the Commission's investigations is to determine the circumstances and causes of accidents and incidents with a view to avoiding similar occurrences in the future, rather than to ascribe blame to any person (Transport Accident Investigation Commission Act 1990).

Our regulatory action plan

Our *Regulatory Action Plan* identifies the activities that need to be undertaken to give effect to our regulatory strategy. The plan will be formally reviewed and refreshed annually and will change as parts of the strategy are put in place over a three-year, or longer, horizon.

As is usual for strategies and their implementation, continual scanning and monitoring of the organisation's internal and external environments in conjunction with ongoing review and adjustment of its strategies and implementation plans is expected.

The action plan includes our commitment over the medium-term along three pathways:

1. Leadership and influence

How we demonstrate, lead and influence a safe and secure aviation system internationally, regionally, and domestically.

2. Active regulatory stewardship

How we contribute to a whole-of-system life cycle view of safety and security regulation.

3. Professional regulatory practice

How we act to ensure safety and security throughout the aviation system through the implementation of regulatory requirements.

These pathways are in turn supported by our foundation building blocks to enable our people to succeed:

1. People
2. Regulatory strategy:
 - Security Delivery Strategy (*AvSec's Horizon 2030*)
 - Safety Delivery Strategy 2030 (to be developed)
3. Technology and information management
4. Resource stewardship
5. Communications and engagement
6. Strategic and business planning, reporting, quality and assurance.

PART FOUR

Enabling our people to succeed



Our people are at the core of everything we do.

We recognise the importance of providing an environment where our people feel safe, valued, empowered, and enabled to perform their role in keeping New Zealand skies safe and secure.

To contribute to our success, we have designed and embedded several initiatives which have focused on creating a positive and collaborative work environment and on building the capability and capacity of our people to undertake their roles.



Our culture

Collaboration
Me mahi tahi

Transparency
Me mahi pono

Integrity
Me mahi tika

Respect
Me manaaki

Professionalism
Kia tū rangatira ai



We are building a safe, respectful, and inclusive workplace and will achieve this through a commitment to culture change activities over the next several years.

A set of new organisational values (the development of which were staff-led) include collaboration, transparency, integrity, respect, and professionalism. Our values set the expectations for how our people behave and act every day, influencing how we as an organisation engage with sector participants.

We are aiming to create a culture of active collaboration and shared responsibility for the health and safety of our people, ensuring an attitudinal and behavioural shift to a risk-based approach that recognises and values good health and safety practice as part of good management.

Leadership

We recognise the important role our leaders have at the Authority. Leadership is a key component in having our people feel supported, engaged, and empowered as they contribute through their work to our purpose.

To support our leaders, we will develop and provide clear pathways, expectations, and opportunities for leadership development. Thought leaders will be developed to deepen their ability to provide knowledge, experience and expertise to our business. Our people leaders will build knowledge that assists them to enhance team performance and develop their people management capabilities.

We will support all our leaders to grow in their roles, to feel empowered to manage challenging and changing environments, and to have resources available to create a focused cross-functional approach. Capable and effective leaders will be connected with their peers, lead with our values in mind and contribute to an environment they, and their people, can thrive and succeed in.

Capability and capacity of our operational personnel

We are focused on improving capability across all levels of the organisation with a purposeful, structured, and integrated approach to continuing to develop our professional regulatory workforce.

It is the fusing of aviation knowledge with regulatory craft that defines the desired capabilities of the professional aviation regulator. This capability framework recognises that not all our people can be expected to have specialised knowledge in all areas. However, everyone is required to demonstrate regulatory craft to meet the competencies required for their role.

The way we do things is equally as important as the decisions we take. Five behaviours have been identified to enhance our core actions as a regulator. They articulate the way that we carry out our role.

These behaviours are set out in the table below:

- 1. **Systems thinking** Recognise components of a system, their interactions, and the implications for system performance
- 2. **Problem solving** Identify, understand, and fix the important problems to ensure the continuous improvement of the aviation system
- 3. **Critical thinking** Use analytical and evaluative techniques to arrive at balanced, evidence-based judgements and decisions
- 4. **Communications and engagement** Interface effectively between internal and external stakeholders to ensure we meet organisational objectives
- 5. **Influencing** Tenaciously pursue aviation safety by motivating participants to behave in a safe and secure way within the aviation system.

A focused approach to providing the core foundational competencies has been implemented in the form of a government-wide approach to professionalising the role of a regulator via the Government Regulatory Practice Initiative. This enables our people to obtain transferable qualifications that are recognised across government.

Our aviation security professionals are required to demonstrate their competency to meet international aviation security standards through ongoing training and assessment. Although most frontline aviation security officers are generalists there is a need to develop specialist capability to meet evolving security threats and risks (e.g. image analysis and behavioural detection).

Technology and information management

Our Information and Technology (I&T) team are working to transform the digital infrastructure that supports the Authority’s work to ensure that our people have the required equipment and capability to effectively deliver on our priorities of safety and security.

Over the medium term, I&T will be focusing on the modernisation of our regulatory toolsets. These include the replacement of the Aviation Safety Management System, the introduction of modern workplace productivity tools, the implementation of Smart Security technologies at our airports, and improving the participant experience when interacting with the Authority. I&T will also be embedding the cybersecurity strategy in line with the Government’s protective security requirements, uplifting Authority data insights capability and continuing to enhance our people’s ability to work anywhere.

Resource stewardship

The Authority is normally funded from fees, charges and levies paid by participants in the aviation system. COVID-19 has significantly disrupted the aviation sector and while the amount of aviation activity has fallen – and revenue from fees, charges and levies reduced – risks within the aviation system have remained at similar levels to pre-COVID.

The Government has provided a liquidity facility to enable us to continue to undertake our core functions to address these risks. That facility provides approximately 60 percent of our revenue requirements, with the balance coming from fees, charges and levies. As the aviation sector recovers, it is likely that the draw on the liquidity facility will diminish.

As the aviation sector starts to settle and recover from the impacts of COVID, the Authority will provide ongoing advice to the Government about the issues we are responding to within the aviation sector, its financial requirements, and the effectiveness and efficiency of our operations.

Amidst the current financial pressures, the Authority will continue to invest in upgrading security screening technologies to ensure New Zealand is well placed to address any future threats and make changes to operational processes to improve efficiency or reduce the burden on the regulated aviation community. However, the level of investment will be constrained by the overall aviation environment and the levels of activity within the sector.

Strategic and business planning, reporting, quality and assurance

Having the tools to identify our vision, and our plan of action to achieve it, will ensure we focus on the right things, make the right decisions, and use our resources to best effect. We continue to develop and refine our tools to support business planning, quality systems, risk management and business assurance across the Authority.

We encourage a continuous improvement cycle to develop best practice on operational efficiency, people capability and capacity. We focus on supporting our people by providing improved internal guidance with tools, policies and procedures enabling everyone to have the information they need to operate in a consistent, efficient, and professional manner.

Our Quality Management System (QMS) will ensure the development and oversight of the processes and tools required to control major business processes. Our QMS will ensure standards are set within processes and will also ensure these standards are met. Our QMS will also actively identify areas for improvement and facilitate the activities to deliver continuous improvement across the business.

We focus on the rigour around change and continuous improvement initiatives. This enables a formalised system to manage change driven by internal and external factors and consistently improve how we approach our work with participants in the aviation system.

PART FIVE

How we measure success



Statement of Intent

The Authority's direction is set out in our *Statement of Intent*. This describes how we will measure progress towards the Authority's vision and purpose, and explains the organisation-wide effort towards the strategic pathways and foundational activities.

It also explains how we monitor the safety and security performance of the various aviation sectors over time, to draw inference on the effectiveness of our regulatory functions and interventions.



Statement of Performance Expectations

The *Statement of Performance Expectations* is published annually. This sets out the five activities (known as Output Classes) that the Authority is funded to deliver, the results we seek from these activities, and how these activities are evidenced against performance targets. The five Output Classes are:

1. Policy and Safety and Security Strategy
2. Outreach
3. Certification and Licensing
4. Surveillance and Investigation
5. Security Service Delivery.

The safety delivery strategy will largely be focused on delivery under Output Classes 1-4, while the security delivery strategy is primarily focused on delivery under Output Class 5.



Annual Report

Our *Annual Report* covers the performance of the organisation against the intentions and expectations set out in the *Statement of Intent* and the *Statement of Performance Expectations*. The *Annual Report* also reports on the safety and security performance of the aviation system.

We also report quarterly to our Board and to the Minister of Transport on progress against these intentions and expectations.





Aviation Security Service

Kaiwhakamaru Rererangi

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