CIVIL AVIATION AUTHORITY
STATEMENT OF INTENT
2019–2024

CAA
CIVIL AVIATION AUTHORITY
OF NEW ZEALAND
Te Mana Rererangi Tūmatanui o Aotearoa

Aviation Security Service
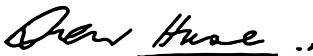— Kaiwhakamaru Rererangi —

Board Statement

The Authority certifies that the information contained in this Statement of Intent reflects the operations and strategic direction of the Civil Aviation Authority for the period 2019-2024.

Signed on: 29 May 2019

Nigel Gould
Chair of the Authority

Don Huse
Deputy Chair

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Contents

Foreword from the Board Chair

Imagine this…

"Over the last 12 months, not one person has been killed, let alone injured in the New Zealand aviation system.

The risks involved with every single flight in New Zealand – whether someone is hang gliding from the top of Coronet Peak, piloting a drone delivering urgent medical supplies or travelling in one of the new air taxis over Auckland city – were managed effectively so that no-one was harmed or injured.

Similarly on the aviation security front, more than 400 more staff since 2018, ongoing training and development, the introduction of 3D stow and cabin baggage x-ray systems, body scanners, and smart lanes at all airports, ensured that every passenger we screened was secure in the air.

We have achieved this through meaningful engagement with the aviation community, dynamic training and professional development for staff, adequate and carefully targeted resourcing, and the use of smart, intuitive business systems…"

This is what we want to be reporting by 2024. An aviation system in which no-one is harmed would give New Zealand truly safe and secure skies, along with an international reputation of which we could be immensely proud. If we don't set safety goals at zero, we give the message that severe, disabling and even fatal injuries are acceptable. If we set the goal of merely having "the best" safety record in the transport sector we're saying we'll tolerate some number of injuries per year.

Turning the 2024 vision into reality will require focus on being smarter and more effective in everything we do and be willing to transform how we work in a risk-based, intelligence-led organisation.

The next five years will bring some major challenges. We'll be working to keep passengers safe in an increasingly complex aviation security environment combined with sustained growth in international visitor numbers. New and potentially disruptive technology such as remotely piloted aircraft (drones) will grow even more rapidly, requiring great agility on our part. And our continuing move to being a performance-based regulator – where we build a comprehensive risk picture of the organisations we regulate and build our knowledge and data to ensure we target our regulation in the areas where it will make the biggest difference – will mean a very different way of working for many staff.

To meet these challenges, we'll need to approach issues and opportunities differently; making the most of our diverse workforce where everyone's skills and attributes are valued will enhance our performance.

A key focus for our regulatory operations will be building on the work we have done and making significant progress with the helicopter sector safety performance, improving our certification activity, enhancing our responses to aviation related concerns and providing the necessary training and development to enable staff to excel in a risk-based, intelligence-led environment.

For our Aviation Security Service, the next five years will involve managing change and growth while keeping up its excellent service and security standards.

This Statement of Intent outlines the decisions, changes and investments we need to make to ensure we meet those challenges confidently, and keep the public – whether they're in the air or on the ground- safe from harm.

Nigel Gould, Chair

SECTION 1

Who we are

The Civil Aviation Authority (the Authority)

We were established as a Crown Entity in 1992 under the Civil Aviation Act 1990, to keep people safe and secure by:

Undertaking our safety, security, and other functions in a way that contributes to the aim of achieving an integrated, safe, responsive, and sustainable transport system.

This mandate is at the heart of the outcome we seek:

Safe and secure skies to help New Zealand fly.

Led by the Director of Civil Aviation and Chief Executive, the Authority (as it is collectively referred to) delivers activities targeted to achieve this through two functional arms:

- the **Civil Aviation Authority – Te Mana Rererangi Tūmatanui o Aotearoa (CAA)** – the 'regulator'; and

- the **Aviation Security Service – Kaiwhakamaru Rererangi (Avsec)** – delivering aviation security services at New Zealand's security designated airports, and maritime security screening as needed.

The Authority exercises these functions under a number of Acts and delegations, including the:

- Aviation Crimes Act 1972

- Bill of Rights Act 1990

- Chicago Convention on International Civil Aviation 1944

- Civil Aviation Act 1990

- Crimes Act 1961

- Crown Entities Act 2004

- Health and Safety at Work Act 2015

- Hazardous Substances and New Organisms Amendment Act 2015

- Official Information Act 1982

- Privacy Act 1993

- Public Finance Act 1989

- Transport Accident Investigation Commission Act 1990

- Trespass Act 1980

The Authority is also responsive to:

- the Treaty of Waitangi

- the Government's Health and Safety at Work Strategy 2018-2028.

The Aviation Security Service – Kaiwhakamaru Rererangi (Avsec) manaia

The manaia symbolises the 'guardian' or 'protector' role of the Aviation Security Service. The design was created by Sarah Everitt and originates from the Ngati Porou iwi. The manaia is the Aviation Security Service's unique brand, reflected proudly on the Aviation Security Service uniform and throughout its operations.

The Aviation Security Service, established in 1977, was incorporated into the Authority in 1992.

Safe and secure skies to help New Zealand fly

The foreword (page 4) describes an aspiration of no deaths or injuries in the aviation sector. This aspiration helps us to focus on what we are here for. Our strategic intentions, explained through this document, demonstrate how we will work to make the civil aviation system safer and more secure.

This page describes our strategic framework, which sets out our overall outcome, impacts and objectives. These are achieved through our interventions, that is, our outputs, our safety and security focus areas, and our change programmes. How we work to deliver on these are shown alongside.

Everything we do is related towards the achievement of the *outcome*- 'Safe and secure skies to help New Zealand fly'. Our success in this is simple: through our work we will have the following *impacts*:

Being safe – fewer people die or sustain injury while participating in the aviation system.

Feeling safe – your choice to participate in the aviation system is not limited by a perception of unsafe practices.

Our *objectives* – the next layer in the circle – break the outcome down into three components:

Improved sector safety performance – we target areas of risk within the aviation system, and work to diminish these risks, improving the overall performance of the system.

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

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

Our impact and objective measures are shown on page 10.

Our *outputs* – the things we deliver – are shown in the green circle in figure 1. These are explained on page 35 and our performance on these is detailed in our annual Statement of Performance Expectations.*

Our *safety and security focus areas* and *change programmes* are particular areas of focus on change and improvement within the Authority and across the system. These are explained on pages 20-24.

The *way we work* – the things we need to do so that we can do all of the above – are shown alongside the framework. These are explained on pages 12-13 and pages 26-34.

What the Authority will not do:

We are absolutely committed to our role of ensuring people stay safe and secure in the New Zealand civil aviation system. This means that there are some things that we will not do:

- compromise the health and safety of people

- get distracted and focus on things that do not progress us towards a safer and more secure aviation system

- invest in capability that is not central to the achievement of our outcome and impacts

- tolerate poor performance within our organisation or the aviation system.

* For the current Statement of Performance Expectations, go to www.caa.govt.nz

OUTCOME: SAFE AND SECURE SKIES TO HELP NEW ZEALAND FLY

FOCUS AREAS AND CHANGE PROGRAMMES

8 X SAFETY AND SECURITY FOCUS AREAS

OUTPUTS

POLICY AND REGULATORY STRATEGY

OBJECTIVES

EFFECTIVE AND EFFICIENT SECURITY SERVICES

REGULATORY CRAFT PROGRAMME

SECURITY SERVICE DELIVERY

IMPROVED SECTOR SAFETY PERFORMANCE

FEELING SAFE • BEING SAFE

A VIBRANT AVIATION SYSTEM

NEW SOUTHERN SKY

OUTREACH

SURVEILLANCE AND INVESTIGATION

AVSEC FUTURE 2022

CERTIFICATION AND LICENSING

SAFETY MANAGEMENT SYSTEMS

INPUTS TO OUR WORK

- Partnerships with Government, international allies and participants in the sector

- Capable and well-resourced people

- Clear governance and leadership

- Effective business systems (including financial, technology, communications and other supports)

- Quality, risk, and assurance management.

Figure 1: Civil Aviation Authority strategic framework

We are part of the New Zealand transport system
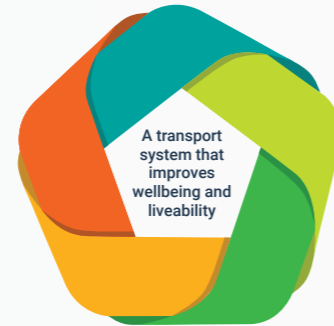
To avoid harm to New Zealanders and our visitors we must maintain a safe and secure aviation system. A safe and secure aviation system also promotes travel, trade, and the enjoyment of aviation as a sport and recreational pursuit for all. Aviation is critical to New Zealand's economy, through the global connections it enables, and the reputation it has. Ninety-nine percent of people arriving in New Zealand do so by air. A significant proportion of New Zealand's high-value goods travel by air — each year New Zealand flies more than $9 billion of our exports out of the country, and imports around $13 billion goods by air.

Aviation is a part of a wider transport system that moves people and goods over land, sea and air. The Government's intention is for a transport system that improves wellbeing and liveability for all New Zealanders; putting people at the heart of all we do.

This intention has been expressed in the five outcomes that the Government seeks for the New Zealand transport sector, shown in figure 2. These outcomes are closely tied into the Living Standards Framework established by the Treasury, and the Government's Health and Safety at Work Strategy 2018-2028.

The Authority's strategic framework aligns to these wider transport sector outcomes. Figure 2 shows the contribution that we make to the wider transport sector outcomes through each layer of our strategic framework.

Figure 2 also shows that our work can be summarised as achieving four major benefits in the aviation sector — safe and secure people, minimised environmental impact, positive economic impact, and improved resilience and security.

TRANSPORT SECTOR OUTCOMES FRAMEWORK

A transport system that improves wellbeing and liveability

Healthy and safe people

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

Environmental sustainability

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

Resilience and security

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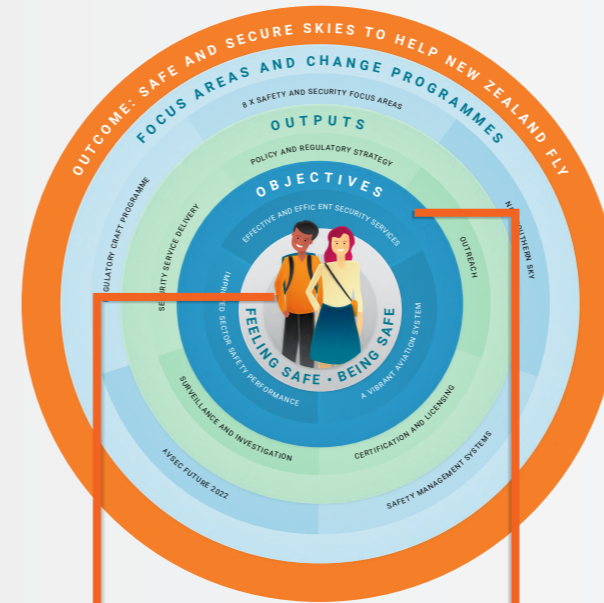
Economic prosperity

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

Inclusive access

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

AUTHORITY STRATEGIC FRAMEWORK

THE TRANSPORT SECTOR OUTCOMES ALIGN WITH THE AUTHORITY STRATEGIC FRAMEWORK

IMPACTS

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

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

OBJECTIVES

Improved sector safety performance – we target areas of risk within the aviation system, and work to diminish these risks, improving the overall performance of the system.

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

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

Full descriptions of the measures of our impacts and objectives are provided in an expanded diagram on pages 36-37, and in the appendices to this document.

Our outputs are described in full in our annual Statement of Performance expectations.

Our safety and security focus areas are on pages 20-22 and measures are published annually in the Safety and Security Focus area work programme.

Change programmes are on pages 18-19, and pages 27-28.

BENEFITS

WE EXPECT THAT DELIVERING ON THESE COMMITMENTS WILL PROVIDE THESE BENEFITS TO NEW ZEALAND

SAFE AND SECURE PEOPLE

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

MINIMISED ENVIRONMENTAL IMPACT

Through reduced greenhouse gas emissions.

POSITIVE ECONOMIC IMPACT

Through minimising the aviation related barriers for movement of people and goods, and lower social cost of air accidents and incidents.

IMPROVED RESILIENCE AND SECURITY

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

We have mapped each programme of work discussed in this document to show the benefits we expect them to contribute to, using the icons shown above.

Figure 2: Our contribution to the New Zealand transport sector outcomes and the benefits we expect to deliver

* Measured through a biennial Colmar Brunton survey

We are part of the global aviation system

New Zealand's isolated location means that aviation plays a vital role to connect us to the world and the world to us. Being part of the global aviation network has helped New Zealand's air transport sector to make a major contribution to New Zealand's economy through the tourism and export markets.

The safe operation of flights is largely due to the global set of safety and security standards that New Zealand, along with 191 other member states of the International Civil Aviation Organization (ICAO), adhere to. As a contracting party to the Convention on International Civil Aviation (the Chicago Convention), New Zealand is obliged to have a comprehensive safety and security regime based on the standards and recommended practices prescribed in annexes to the Convention. The Authority is the New Zealand Government's designated agency to manage interactions with ICAO regarding safety and security matters.

We also have a number of bilateral and multilateral agreements and arrangements that support a commitment to harmonise aviation standards, rules, procedures and processes, where this is in New Zealand's interests. A full list of New Zealand's International Agreements and Arrangements can be found on the CAA website www.caa.govt.nz/international/international-agreements/.

We actively support our Pacific neighbours to improve regional air safety and security, including through supporting the work of the Pacific Aviation Safety Office and agreements with several Pacific Island States to provide advice and technical assistance. As well as improving safety in these countries, this helps to make air travel safer and more secure for the large number of New Zealand tourists travelling to the Pacific each year, and bolsters our security 'back-door' into New Zealand.

Effective international engagement means that New Zealand and the Authority make a credible contribution to international discussions and initiatives. This enables us to influence the global debate on aviation safety and security issues that are important to New Zealand. This can deliver many benefits for New Zealand including improving safety and security, supporting economic growth, and ensuring Authority resources are directed to the areas of most benefit to New Zealand.

BENEFITS Safe and secure people   Positive economic impact   Improved resilience and security

New Zealand's Flight Information Region

New Zealand's Flight Information Region (FIR) totals 30 million square kilometres – one of the largest areas of airspace in the world. The Authority regulates activity in this airspace. All domestic and international air traffic travelling within New Zealand's FIR is controlled by Airways (New Zealand's air navigation service provider).

Working together across the civil aviation system

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, and supporting infrastructure.

The Authority works with partners and stakeholders across the aviation and government systems to ensure people feel safe and are safe in the civil aviation system. People interact with the civil aviation system in a number of different ways. These interactions, shown in figure 3, are categorised as:

Commercial passenger operations – people flying in, operating or commercial operators of, large, medium and small aeroplanes, helicopters, and adventure aviation. This also includes security screening and maintenance.

Recreational and private operations – people flying for non-commercial reasons, such as, microlights, hot air balloons, parachutes, remotely piloted aircraft (drones), and including helicopters and aeroplanes.

Agriculture, freight, and other commercial operations – people and organisations carrying out activities such as crop-spraying, delivery of freight, assistance with logging, and commercial photography using remotely piloted aircraft (drones).

Airspace – New Zealand is responsible for the airspace much larger than its borders. Activities like storms, and volcanic unrest can have a big impact on the aviation system.

There is no 'one size fits all' approach to working with stakeholders and participants. These categories help us to identify the different requirements for regulation and monitoring, and the interventions that may be appropriate. For more information on the interventions we use, see pages 14-15.

Stakeholders and participants

It is vitally important that we have strong working relationships with participants and stakeholders across the aviation system, the wider transport sector and others responsible for the security of New Zealanders.

Strong working relationships are built by mutual respect, integrity, and good communication. Our behaviours and the way we work with our stakeholders and participants build the foundation for delivery of a safer and more secure aviation system.

What do we mean by 'Stakeholders' and 'Participants'?

Stakeholders are organisations and individuals that we must work with to achieve our outcome. Examples include the Minister of Transport, Government agencies, the International Civil Aviation Organization, the New Zealand Police, the Transport Accident Investigation Commission, industry representative groups, participants in the industry, and, more widely, the New Zealand public.

Participants are anyone who interacts with the New Zealand civil aviation system. (In parts of our business we also use this term more narrowly to define anyone who does anything that requires an aviation document, for example, certificates and licences).

The Minister of Transport

The Minister of Transport annually sets specific expectations for the Authority, which guide delivery of our work programme. These are identified in the annual Statement of Performance Expectations.

The Ministry of Transport carries out assurance activity on behalf of the Minister of Transport, to ensure that we are meeting expectations.

BENEFITS   Safe and secure people   Positive economic impact   Improved resilience and security

Figure 3: how people interact with the system

The interventions we use to achieve our outcome

Our regulatory role and interventions

To achieve our overall outcome, our regulatory function uses the tools available to us to improve the safety and security of people interacting with the civil aviation system.

We intervene in the civil aviation system by:

- managing the entry and exit of participants to the aviation system

- certifying and licensing participants in the aviation system

- working to promote health, safety and better risk management

- working to promote public and participant awareness of safety requirements

- taking enforcement action where necessary

- surveillance of the civil aviation system

- research and intelligence activities

- accident investigation where necessary

- engaging internationally with other aviation bodies, standard-setters and organisations

- supporting Pacific Island aviation activities

- working with the Ministry of Transport and others on rules and regulations in the aviation system

- collection of levies and fees

- providing policy advice on the aviation system

- maintaining accountability for the aviation system to Government.

Our aviation security role and interventions

Our aviation security service uses the tools available to us to protect people who are flying in New Zealand. We aim to deliver world class aviation security, while enabling a high quality, responsive passenger experience.

Our interventions include:

- passenger, baggage, and airport worker screening at security designated airports

- contributing to the security of the perimeter at security designated airports

- managing the Airport Identity Card system for restricted areas

- assisting other agencies with security screening as required (for example, cruise ships or major events).

Our regulatory operating model

These interventions are chosen and implemented based on the six principles forming our regulatory operating model. These principles are:

- Public interest and system safety – our priority is always the public interest and the safety of the system.

- Participant responsibility – all participants are responsible to conduct their own activities safely and in accordance with the law and the aviation documents they operate under.

- Intelligence-driven, risk-based regulatory activity – our decisions are based on information analysis that determines the nature and degree of risk.

- Meaningful and open-minded engagement with participants – we will engage respectfully, with an open-mind, and as transparently as possible.

- Incorporating Just Culture principles into regulatory responses – people are not punished for acts or omissions that are reasonable based on their experience, qualifications and training.

- Regulatory interventions that are proportionate, consistent and balanced to the safety and security risks – our interventions are not used in isolation but as part of an integrated safety management strategy.

System aspects

Our interventions relate to the following aspects of the civil aviation system.

ENTRY

Exercise of control over entry into the New Zealand civil aviation system

- Quality and timeliness of rules and standards
- Robust entry renewal and amendment certification tasks
- Licensing procedures carried out effectively and efficiently.

ON GOING OPERATION

Exercise of control over sustained operation in the New Zealand civil aviation system

- Application of a risk-based approach to safety and security system oversight
- Effective communications to the aviation community and stakeholders
- Ensure participants are operating within their legal obligations through effective inspection and monitoring
- Appropriate response to unsafe practice
- Effective occurrence investigation
- Effective monitoring / audit / inspection activities.

EXIT

Exercise of control over exit from the New Zealand civil aviation system

- Informed decision making through intelligence and analysis.

CIVIL AVIATION SECURITY

Ensure threats are identified and associated risks are managed and international standards for security are met

- Effective screening activities.

SECTION 2

Meeting the challenge of 'Being Safe' and 'Feeling Safe'

This section sets out the major areas of work for the Authority and explains how we will continue to work to improve the safety and security of the aviation system – keeping people safe and ensuring they feel safe.

As described in the previous section, we have a set of interventions that deliver on our role to manage and monitor the safety and security of the New Zealand civil aviation system, and we will continue this work over the next five years. However, at times it is not enough to improve the safety and security of the aviation system through our business as usual activities. There are always parts of the system that warrant specific attention – for example, improvement activities, a particular focus on a safety issue, or development of new processes to respond to new technologies.

We have two major approaches to responding to the challenge of our changing environment:

- Identifying **safety and security focus** areas to enable the organisation to address specific areas of risk within the civil aviation system.

- Developing and implementing **system change programmes** to improve aspects of the civil aviation system.

This section covers the changes and challenges ahead of us, and our intended actions over the next five years to meet these through our safety and security focus areas and system change programmes.

Changes and challenges ahead of us

The next five years will be some of the most challenging experienced by the Authority as we continue to respond to an increased need for our regulatory and security services to keep people safe and secure.

The major changes and challenges ahead of us are:

- Keeping people safe – a complex security environment combined with sustained growth in international visitor numbers;

- Ensuring people feel safe and are safe as new technology is picked up – as well as ensuring that people are able to participate in the aviation system without unnecessary obstacles; and

- Ensuring our regulation keeps people safe by better managing risks in the system, along with focusing more on performance and outcomes than on 'ticking the boxes'.

An increasingly complex security environment combined with sustained growth in passenger numbers

Passenger numbers continue to rise, as do the measures required to keep people safe. We must continue to meet evolving international and domestic security standards to minimise risks to people, freight and our international reputation. In particular, for the Aviation Security Service, staffing levels and equipment must be fit for purpose and able to respond to ongoing changes in security threats and sustained increases in passenger volumes.

In meeting this dual-challenge, our focus is on continuous improvement, effective leadership, building strong relationships with our stakeholders and customers, and the health, safety and wellbeing of our staff.

New technology – being responsive and managing risk

Over the past few years we have responded to the challenge of remotely piloted aircraft (drones) entering the aviation system. Now, anyone who flies a drone is a participant in the sector. Over the next five years new technologies will continue to emerge; challenging the status quo of the aviation system, and providing new opportunities for people to enter the aviation space.

We work hard to adapt and respond to new technology, to ensure there are no unnecessary barriers to entering the system, while ensuring safety. This requires that we effectively identify and manage emerging risks.

With emergent technology, in the remotely piloted aircraft area for example, we have the challenge of balancing an 'enabling' approach to the introduction of new technology and at the same time adequately managing risk. We are committed to this approach despite the fact that it demands greater capacity and capability than the more traditional compliance-based regulatory approach of the past.

We are working closely with the Ministry of Transport and other agencies to provide a holistic response to emerging technologies like remotely piloted aircraft and autonomous aircraft.

Ensuring our regulation better manages risk to people in the system

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

Risk-based regulation means that when risk is assessed, consideration is given to factors such as attitudes and behaviours, skills, business systems and resources. Assessment of risk is based on information gathered from audits, investigations and incident reporting.

Performance-based regulation focuses on outcomes rather than applying prescriptive standards. It establishes performance objectives, without specifically detailing the means of compliance required to achieve the objectives.

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

An increasing demand for our regulatory functions is being driven by growth in the size and nature of the aviation sector. For example, there has been growth in the number of smaller operators with a higher risk profile providing air services to regional centres. The number of helicopters in the country continues to grow, amplifying the Authority's concerns about the poor safety performance of that sector and reinforcing our commitment to focus more resource on reducing the risks it poses. There are increasing numbers of international visitors taking commercial helicopter flights and participating in commercial adventure aviation activities.

As the Authority tackles these challenges and opportunities, as a regulator, aviation security service provider, influencer, and supporter of the civil aviation system, we seek to:

• focus on outcomes (keeping people safe and ensuring they feel safe) rather than just the conduct of scheduled activity;

• be intelligence-driven and risk-based;

• enhance our safety risk and security threat response;

• support and promote economic development – high standards of safety and security within the aviation system provide a tangible economic benefit; and

• provide our people with challenging, rewarding and satisfying careers.

The following pages explain how we are responding to these changes and challenges.

Safety and security focus areas

The safety performance of the civil aviation system is variable. It ranges from excellent in the large aircraft (airline) sector to quite poor in the commercial helicopter and private recreational aviation areas. The helicopter sector is of particular concern given the growth of the sector in recent years and the use of the aircraft in the burgeoning tourism industry.

To improve the overall safety performance of the New Zealand aviation system, the Authority has identified eight safety and security focus areas, based on analysis of safety data, sector based intelligence and international trends and research. The focus areas are a tactical lens to look through to ensure the Authority achieves the right priorities.

The dynamic nature of aviation requires the Authority to be agile and resilient. As we intervene in the system, the behaviours of those within it, and the issues giving rise to safety concerns, will change. The Authority therefore reviews these focus areas regularly, and they are likely to change throughout the life of the Authority's 2019-2024 Statement of Intent. The most up to date focus areas can be found on "our website – **www.caa.govt.nz**

We anticipate that these focus areas will deliver on all four of the system benefits we seek.

BENEFITS Safe and secure people   Minimised environmental impact   Positive economic impact   Improved resilience and security

CRITICAL

The helicopter sector – Being a commercial helicopter pilot is one of the most dangerous occupations in New Zealand. While efforts over the last few years have resulted in improved safety performance in helicopter transport operations, the same cannot be said for all helicopter operations. In response, a dedicated helicopter strategy has been developed in conjunction with industry bodies and worker representatives. The strategy sets a clear direction, providing a shared vision for where we want to go and what needs to be done to get there. The strategy identifies the common safety risks, identifies initiatives to reduce these risks, and sets out a number of goals to focus our efforts. The strategy coordinates efforts and provides visibility of the different roles in the sector. It also aims to develop a wider picture of the sector's safety performance and how this can be measured.

Key parties in the sector have entered into a Memorandum of Understanding to monitor and manage the strategy on our way to zero harm. We will know we are succeeding when there is a sustained year-on-year downward trend of 20 percent fewer deaths and serious injuries in the helicopter sector.

The safety and security focus areas are categorised as:

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

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

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

Safety and security focus areas (continued)

ACTIVE MANAGEMENT

Airborne conflicts – airborne conflicts between aircraft have the potential to lead to mid-air collisions and resulting fatalities. We are acting to ensure we are doing the right things in the right way to mitigate the potential risks associated with airborne conflicts.

We are working to identify the full range of potential contributing factors, dynamic variables, and controls influencing the occurrence of airborne conflicts. We will then develop an over-arching mitigation strategy and ensure targeted interventions are appropriate and relevant to contributing factors.

Given the wide range of potential contributing factors involved, this focus area requires a multidisciplinary approach aimed at developing more effective regulatory interventions in support of overall safety improvement.

ACTIVE MANAGEMENT

Security threat level and responses – the aviation security environment is constantly dynamic with the potential for high levels of ambiguity. In the event of a potential, emerging, or actual aviation security threat and risk, timely and coordinated decision making and operational responses are required to ensure the New Zealand aviation system remains safe and secure.

We are working to maintain timely and effective coordination with, and involvement in, wider All of Government crisis assessment and decision making processes and the timely promulgation of any additional aviation security requirements considered necessary. We are also maintaining capability to respond to changes in threat levels and implement any aviation security contingency measures in a timely and effective manner.

We will continue to review our planning and operations in this area.

ACTIVE MANAGEMENT

International air cargo security – the security of the international air transport system and the continued facilitated flow of high value export cargo by air to international markets depends on the continued existence of a robust and trusted air cargo security system.

This focus area supports informed and targeted intervention activity to sustain levels of compliance throughout the system and retain stakeholder assurance on the level of security applied to air cargo carried on flights from New Zealand.

We will continue to monitor this system.

ACTIVE MANAGEMENT

Smart security – thinking smarter to improve security outcomes, enhanced passenger facilitation and optimised utilisation of equipment and staff. Our aim is to be well-informed, agile thinkers, capable of evaluating options in response to changing situations, to build resilience in our current system, and make developments to meet future demands.

Over the next few years we will progressively roll out Smart Lanes, and continue to work to develop risk-based / differentiated screening. We will trial the Security Management System and implement our digital mobility plan.

MONITORING/ MAINTAINED

Loss of control in flight – this is where an aircraft loses control in flight due to human, mechanical or other reasons, leading to serious harm incidents or accidents. We have acted to increase participant and regulator awareness of the elements of good flight path management, including controls to manage the risk of flight path deviations, aircraft upset, and loss of control in flight.

Surveillance and certification activity will be used to assess operator effectiveness of the management of this risk.

If our actions are shown to have been effective we will de-emphasise this focus area in future.

MONITORING/ MAINTAINED

Runway excursions – this is where an aircraft departs the runway unexpectedly, a critical phase of flight, with a risk of serious harm. We have acted to improve industry and regulator awareness of the elements of safe runway operations, including training, aircraft performance, procedures, and infrastructure elements and attention to related controls.

Surveillance and certification activity will be used to assess operator effectiveness of the management of this risk, along with continued promotion of Runway Safety teams.

If our actions are shown to have been effective we will de-emphasise this focus area in future.

MONITORING/ MAINTAINED

Queenstown operations – Queenstown is an important tourist destination and aviation plays an important part in the "Queenstown experience". We need to ensure that the various flying activities are conducted safely.

We will continue to monitor operations at Queenstown, through surveillance and certification activity, attendance at the Queenstown, Milford User Group to assess Group effectiveness, and through analysis of safety data.

If our actions are shown to have been effective we will de-emphasise this focus area in future.

System-change programmes

The Authority currently has three system-change programmes underway. These programmes will transform aspects of the aviation system – improving the safety and security of people who fly.

Safety Management Systems

The implementation of safety management systems (SMS) across the New Zealand aviation system is an example of moving towards being more risk-based and creating a more responsive regulatory system.

Since February 2015, Civil Aviation Rule Part 100: Safety Management has required commercial operations to establish, implement, and maintain a comprehensive and scalable SMS.

SMS is an ICAO mandated formal risk management system designed to improve safety. SMS integrates a range of safety management tools, including senior management commitment, hazard identification, risk management, safety reporting, occurrence investigation, remedial actions and education. It is inherently risk-based and forward-looking, and combines elements of quality and risk management into an integrated system that helps organisations:

- identify the hazards and associated risks that affect the whole organisation;

- control, monitor, communicate and review those risks;

- assure the quality of products and services while complying with standards; and

- continually improve products and services.

SMS is a significant change and will take time to fully implement.

Group 1 operators (larger operations) were required to have an approved SMS by 1 February 2018, while Group 2 (all other operators) must have one in place by 1 February 2021.

BENEFITS Safe and secure people Improved resilience and security

New Southern Sky

The New Southern Sky (NSS) programme to modernise New Zealand's airspace and air navigation systems is being led by the Authority in partnership with the Ministry of Transport and Airways New Zealand. This programme extends to 2023.

The aim of the programme is to implement the National Airspace and Air Navigation Plan (2014) through a coordinated and collaborative approach across the aviation sector to deliver safety, social, economic and environmental benefits.

This three stage benefits-led programme spans a decade and is in stage three. NSS is in the process of delivering a new airspace surveillance system, satellite-based performance based navigation procedures and a new air traffic management system. This will be enabled by aircraft equipment mandates, up to date satellite navigation rules and a future technology safety assurance project.

A recent programme cost-benefit analysis, which used actual data from the air traffic system confirmed that planned benefits are being delivered. Further benefit delivery evaluations are planned at two yearly intervals.

BENEFITS Safe and secure people CO_2 Minimised environmental impact Positive economic impact

Avsec Future 2022 and Beyond

A forecast for the five year period 2018-2022, showing the number of passengers the Aviation Security Service will likely need to screen, indicates that they will need to process an additional two million more people by 2022 – almost 15 per cent more people.

Looking further into the future, if international passenger travel forecasts are correct, by 2030, the Aviation Security Service will likely need to screen in the order of 26 million passengers per annum.

In response to this challenge, the Future 2022 and Beyond strategy has been developed to support the Aviation Security Service in doing things in smarter and better ways. A core part of this programme is developing and deploying smart security solutions to meet future demands in terms of passenger volumes and potential security threats.

This programme is also discussed on page 28.

BENEFITS 👫 Safe and secure people 🛡 Improved resilience and security

SECTION 3

Ensuring the Authority is capable and prepared

In order to achieve our strategic outcome, impacts and safety focus areas, we must have:

- capable and well-resourced people

- governance and leadership who ensure that we stay on track

- business systems and resources that support the journey and keep us functioning

- robust quality, risk, and assurance management practices.

We have a plan for how we will work towards our objectives including:

- progress information- how we will know how we are tracking

- an agreed 'way to work' that sets out our principles for how we will work and the behaviours we will exhibit

- change programmes that move us forward.

Change programmes to move us forward

The Authority is changing. We know that to meet our strategic objectives and the challenges outlined in the previous section we must continue to deliver seamless service to the public, to airlines, to Government – to all participants in the aviation sector. But we must also fundamentally change our approach and adapt to the new technologies and systems required to lead the sector into the future.

Regulatory Craft Programme

As aviation regulation becomes more performance-based, the cultural change required to implement and support it is often as great for the regulator as it is for those subject to it. To meet these challenges we have developed a Regulatory Craft Programme, for our regulatory function, which is focused on:

- being intelligence-led, to create tools and resources such as risk profiles of specific parts of the aviation sector; and

- building internal capacity and capability to design and implement evolving regulatory practices.

Two major workstreams of the Regulatory Craft Programme are scheduled to run through until June 2020 – People, and Guidance.

The People workstream is about equipping our managers and employees with the right capabilities and skills to achieve the outcomes desired in an intelligence-driven, risk-based organisation. Deliverables include leadership development, qualifications for regulatory staff, recruitment tools, learning and development pathways, and performance management tools.

The Guidance workstream developing operational policy and guidance material to assist our regulatory managers and employees to carry out their duties and navigate the complexities of aviation regulation. Deliverables include an updated regulatory operating model, which includes our six regulatory principles; and a guidance framework which is a collection of regulatory policies, processes, procedures and instructions.

BENEFITS Safe and secure people   Improved resilience and security

Avsec Future 2022 and Beyond

As noted on page 27, our Avsec Future 2022 and Beyond programme is about supporting our security service to carry out its work in smarter and better ways in a continually changing security environment. To achieve this, we have a number of initiatives underway to develop:

- highly skilled, professional staff (our people are skilled, effective, and supported by world-class tools and training)

- systems thinking (taking a holistic view of our operation so we are better able to support and deliver a more effective security system, one that is more than the sum of its parts)

- deliberate intervention (deliberately intervening in the system when our analysis of the evidence clearly identifies a threat)

- collaboration (working collaboratively with others to achieve beneficial security outcomes for New Zealand)

- innovation (being open to new ideas and approaches, particularly in the technology field)

- effectiveness and efficiency (delivering value for money by spending wisely and using our resources effectively and efficiently, including exercising our entrusted public powers)

- intelligence-led, risk-based decision making (using evidence and intelligence to understand risk and to make operational decisions)

- empowered leadership (empowering our people to do the right thing at the right time).

This programme is scheduled to run through until 2022.

BENEFITS 👫 Safe and secure people 🛡 Improved resilience and security

Capable and well-resourced people

Our people are the key to delivering on our goals. We must have a strong, capable, and well-equipped workforce in order to meet the challenges of the next five years. And our workforce must also expand to respond to the growth of the civil aviation sector.

To deliver on our current functions, our workforce profile is shown below. This does not reflect any impact that our change programmes may have on the profile of our workforce. We will continue to report on our workforce profile in our annual report.

ETHNICITY

Not reported	67%
NZ European	19%
Asian	5%
Pasifika	2%
Maori	3%
Other	4%

GENDER PROFILE

45%   55%
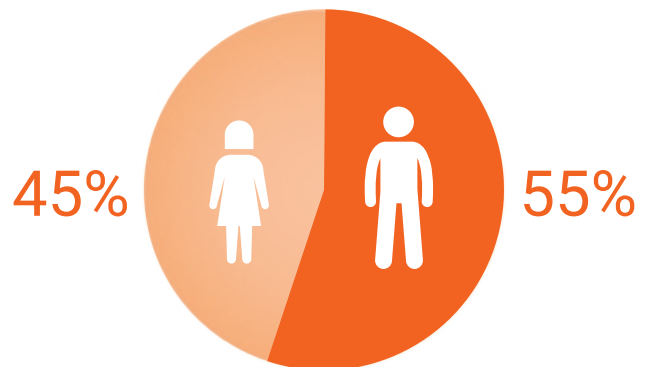
MANAGEMENT GENDER PROFILE

35%   65%

TOTAL STAFF NUMBERS

FTE 1,292

AVERAGE AGE

45

PROPORTION OF EMPLOYEES WHO HAVE DISCLOSED DISABILITIES

1.0%

Growing in numbers, diversity and wellbeing

The Authority is committed to providing a safe and productive working environment for all of its people. To achieve this, we are continuing to build a work environment that ensures all our people feel this is a good place to work, their voices are heard, and their values and culture are respected and embraced. We have an obligation, and a responsibility, to our people that we take very seriously. A safe, inclusive and productive work environment is something every one of our employees has a right to expect from us.

Diversity and inclusion

In order to enhance our effectiveness, we need to attract diverse talent and ensure we have a range of perspectives, and people who are enabled to have their say. We also need to ensure we are demographically representative of the New Zealand public we serve.

The Authority has developed a Diversity and Inclusion Strategy that provides a three-year plan, which supports building an increasingly diverse and inclusive workforce, where everyone feels safe, respected and valued for the contribution they make.

Equal employment opportunities

We are committed to the principles and practice of equal opportunity, and we reflect these through our employment policies and practices. Vacancies are internally and externally advertised, and appointments are made based on merit. All staff are valued, treated equitably and with respect, whatever their gender, ethnicity, social background, sexual orientation, or disability.

Health, safety and wellbeing

Keeping people safe and making a difference each day matters to us. Our vision is to provide a workplace where our people are at their best, engaged and productive and our health, safety and wellbeing systems are critical to achieving that vision. This means having a strong safety culture in the workplace, visible leadership of our health and safety strategy, effective communication and engaging our people in the design and implementation of our health and safety system.

Our health and safety management systems and framework are intelligence-driven, risk-based and delivered through deliberate interventions.

The Authority is committed to providing and maintaining healthy and safe environments for all our workers and other workers it has influence over. It recognises the importance of maintaining safe workplaces, not only for its workers but for visitors, providers and the general public. We will achieve this vision by working with and across the aviation industry and the wider state sector.

Growing in capability

It is vital to invest in our people to embed the right capabilities and organisational attributes to effectively support a safe and secure aviation system.

The Authority is committed to providing a positive and targeted learning environment to ensure we continue to build a professional and capable workforce to meet the current and future challenges of aviation safety and security. As a learning organisation, we seek a culture of continuous development where we learn from our activities, successes and mistakes and make changes to remain effective.

The Authority provides learning to our people using a blended approach of online, formal and informal workshops and on the job training. We are continuing to build our learning systems, frameworks and structures to support the development of our people.

An example of this is the targeted professional learning pathways (from foundation-level to advanced) that have been developed for Regulatory Inspectors as part of the Regulatory Craft Programme. The first stage is foundation-level learning, which is designed for new Inspectors and is undertaken in their first 18 months. This includes a mix of online, classroom, internal, external, on-the job training and assessment, and ensures employees meet organisational standards for regulatory delegations. All existing Regulatory Inspectors will complete internal assessment requirements against our occupational standards to ensure consistency in standards and approach by December 2020.

A core aim of the Regulatory Craft Programme is to support Authority staff to become better regulators. The New Zealand Certificate in Regulatory Compliance (Core Knowledge) level 3 supports this development. The Authority has supported the development of online modules that are now available across the public sector, and we have also developed Authority specific learning to give our people the unique perspective of the regulatory environment that we operate in within the wider New Zealand government. The organisation is committed to capability development, making this learning mandatory for all CAA regulatory and corporate employees, at all levels. CAA employees are supported to complete this qualification and are required to successfully complete this within six months of being enrolled.
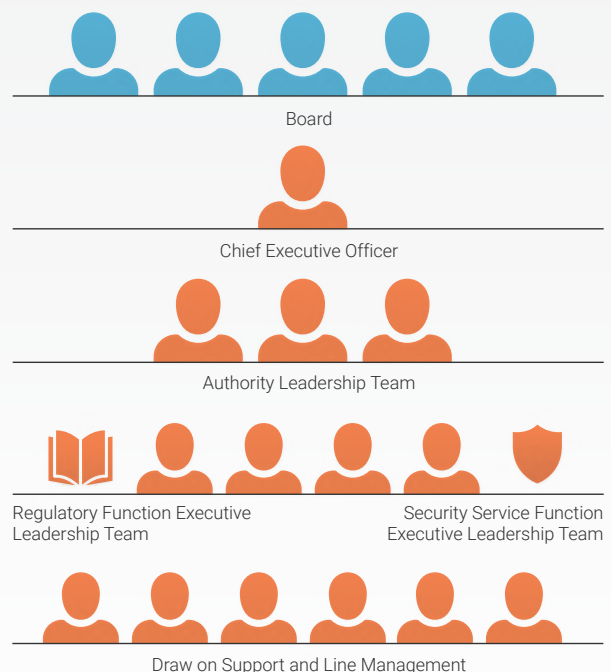
Clear governance and leadership

Governance

Having strong governance helps ensure we are on track: our strategy and business plans are robust, our financials reflect our activities and areas of focus, and our goals are set to stretch us and are met, while remaining focused on delivering 'Safe and secure skies to help New Zealand fly'.

The Minister appoints the Board to ensure that the Authority performs well, manages risks prudently, and is sustainable over the longer term through a well-structured strategy.

Leadership

The Authority Leadership Team (ALT) is made up of senior managers from both operational functions. It works with the Board to set the strategic direction for the Authority. This involves deciding what the Authority should look like today and in the future, planning how we will get there, and managing the work that will get us there. It manages the Authority's risks, ensures the Authority operates efficiently and effectively, and meets regularly with the Board and by itself.

THE CIVIL AVIATION AUTHORITY LEADERSHIP MODEL

Board

Chief Executive Officer

Authority Leadership Team

Regulatory Function Executive
Leadership Team

Security Service Function
Executive Leadership Team

Draw on Support and Line Management

Effective business systems

Funding and finances

The Authority maintains separate accounts for the regulatory function and the Aviation Security Service (Avsec), as required by section 72B (3B) of the Civil Aviation Act 1990.

The Aviation Security Service operates on a user pays basis with passenger levies on all domestic jet services and all international departures; whilst the regulatory function is funded through a mix of fees, charges, levies and Crown funding.

Regular funding reviews

To ensure we have sufficient revenue to sustainably fund our regulatory functions and security services, and continue to improve our capability to keep people safe and ensure that they feel safe, the Authority undertakes a comprehensive funding review every three years, or as required in response to passenger volumes and our operating environment.

The Aviation Security Service's new cycle for funding is expected to come into effect from 1 July 2019. The regulatory function will commence its next funding review during 2019/2020.

Reserves and funding policy

The Authority updated its Reserves and Funding Policy in June 2017. This policy sets the minimum and maximum levels of working capital cash reserves. For the Aviation Security Service, 6 to 9 weeks of standard operating expenditure is required to be kept as a cashflow reserve. The regulatory function is required to keep 75 percent of 6 to 9 weeks of standard operating expenditure. These reserves are required to manage passenger fluctuations, and to respond to adverse events at short notice.

Business systems and physical assets

The Authority's core information technology systems will continue to be redeveloped over the course of this Statement of Intent, requiring significant investment. This will ensure that we have modern information technology architecture that will support us to deliver on our purpose.

The proposed capital expenditure for the Authority's regulatory functions for next five years includes provision for updating core aviation safety and security systems, and online medical certification systems.

In 2020 work will commence on the replacement of the Authority's current technology platform for its regulatory functions, the Aviation Safety Management System. The technology platform that supports our core regulatory functions is a fundamental enabler to effective regulatory practice and performance.

The current system is over 30 years old and constrains our ability to offer modern, efficient, and automated regulatory processes for aviation system participants. It is intended that this project will take three and a half years, and will result in the staged implementation of a comprehensive, modular and fully integrated aviation regulatory technology platform. This will enable significant simplification of business processes, and better intelligence on which to make effective regulatory decisions, bringing benefits to both aviation system participants and Authority regulatory staff. The replacement platform will directly contribute to the outcomes sought through the Regulatory Craft Programme, helping to establish the Authority as an intelligence-driven, risk-based regulator that is focused on reducing administrative burden and compliance cost for aviation system participants.

For the security service, the focus is on efficiently dealing with significant projected growth in passenger numbers, whilst responding to continuous change in the security environment. As noted on page 31, the Aviation Security Service is implementing new security infrastructure to meet these challenges. This significant capital expenditure will be funded through a Crown Loan facility. The Aviation Security Service are also reviewing the Airport Identity card system; this may result in a proposal to update and modernise this system.

The Authority will continue to engage with individual airport companies that are planning or implementing infrastructural changes, including reconfiguring security screening positions and their location in relation to customs services. Potential redesigns could result in capital expenditure requirements for buildings and facilities.

The proposed capital expenditure for the Authority includes normal cyclical replacement of existing assets, in line with its capital asset replacement programme.

We will continue to examine opportunities that could have the potential to reduce costs across the wider transport sector, and improve safety and security.

The Authority has three primary sources of revenue:

Aviation participant fees and charges – for licensing and certification.

Passenger charges and levies – for civil aviation regulatory functions and security screening.

Funding from the Crown – for policy advice, rules and standards development, and the administration of the Health and Safety at Work Act 2015 designation for the Civil Aviation Authority and the Hazardous Substances and New Organisms Amendment Act 2015. This also includes funding for maritime security work, and capital funding as required.

Quality, risk, and assurance management

Quality management

Our quality management is based on the ISO 9001:2015 standard and links to the risk and assurance management policies through processes, structures, reporting and data capture.

Assurance

Our assurance management is based on an integrated quality assurance and risk framework. Assurance plans are developed on four considerations: compliance and audit (retrospective), quality and operations management (contemporary issues assurance), strategic and corporate risk (forward view), and emerging issues (dynamic issues).

Risks

Our risk management is based on the AS/NZS ISO31000:2009 risk management standard. We regularly assess strategic and corporate risks using the categories of financial, political, stakeholder engagement and operational. Risks are managed to ensure that residual risk is as low as reasonably practical and reported quarterly to the Minister of Transport. The Authority high level risks and management of these risks are included in the table opposite:

High level risks	How these are managed
Regulatory failure An accident involving high-capacity New Zealand registered air transport aircraft causes death, injury and property losses, and results in major disruption to aviation and public loss of confidence of the safety and security in New Zealand.	Established quality, assurance and risk processes to ensure the effectiveness of the Authority's regulatory operating model.
Changes in security threats Act of terrorism or unlawful interference leads to an incident with high impact/profile.	Rigorous quality standards in aviation security operations (including Regulated Air Cargo Agents (RACAs)). Intelligence gathering, monitoring and planning in collaboration with other security agencies and aviation organisations. Contingency plans for various scenarios.
Revenue and expenditure pressures Financial constraints limit the organisation's ability to function (contributed to by change in Government policy, large airline failure, global unrest, natural disaster).	Monitoring and responding to short term revenue fluctuations. Maintaining financial reserves. Forecasting passenger volumes. Regular Authority Audit, Finance, and Risk Committee oversight, and monitoring of all expenditure and budget planning by the organisation. Regular funding reviews.
Reduced capability and capacity Required technical and professional expertise is not available to the Authority, leading to safety risks and regulatory failure.	Annual reviews of remuneration and rewards. Workloads and demand prioritised. Provision of appropriate training. Resourcing strategies developed. Enhanced leadership programme.
Reduced economic development The Authority regulatory system is perceived as a barrier to the Government's economic development.	Regular engagement with Ministry of Foreign Affairs and Trade and New Zealand Trade and Enterprise to reduce regulatory barriers, advise on the regulatory system. Regulatory decisions are to a standard that develops confidence in New Zealand by overseas regulators.
Speed and extent of technology change Insufficient capability, systems, processes to operate at the required level leads to unsafe practices, impact on participants, stakeholder confidence loss.	Collaboration with industry to stay aware of and plan for aviation developments. Regular interaction with ICAO and overseas regulators. Appropriate organisation training.
Major civil defence event in Wellington An inability to access Authority systems, offices, and records leads to an inability to respond to issues, loss of stakeholder confidence, budget pressures.	Business continuity and IT disaster recovery plans are developed, in place, and regularly reviewed. Financial reserves are maintained. Civil Defence and emergency management systems are in place.

SECTION 4

How you will know we are succeeding

Our strategic framework sets out the overall outcome we seek, the impacts we aim to make, and our objectives; along with the outputs we create, and the inputs that are required for the Authority to achieve these things (see page 9). This Statement of Intent describes our medium to long term goals; specific progress information is set out in our annual Statement of Performance Expectations. We report against both documents in our Annual Report.

SYSTEM ASPECTS

Our interventions relate to the following aspects of the civil aviation system.

ENTRY

Exercise of control over entry into the New Zealand civil aviation system

- Quality and timeliness of rules and standards
- Robust entry renewal and amendment certification tasks
- Licensing procedures carried out effectively and efficiently.

ON-GOING OPERATION

Exercise of control over sustained operation in the New Zealand civil aviation system

- Application of a risk-based approach to safety and security system oversight
- Effective communications to the aviation community and stakeholders
- Ensure participants are operating within their legal obligations through effective inspection and monitoring
- Appropriate response to unsafe practice
- Effective occurrence investigation
- Effective monitoring / audit / inspection activities.

EXIT

Exercise of control over exit from the New Zealand civil aviation system

- Informed decision making through intelligence and analysis.

CIVIL AVIATION SECURITY

Ensure threats are identified and associated risks are managed and international standards for security are met

- Effective screening activities.

Measured through a biennial Colmar Brunton survey

OUR INTERVENTIONS

OUTPUTS

OUTPUT CLASS	OUTPUT
Output Class 1: Policy & Regulatory Strategy	International Relations and International Civil Aviation Organization Obligations
	Ministerial Servicing
	Policy Advice
	System Level Design and Intervention
	Rules and Standards Development
	Pacific Support

Output Class 2: Outreach

Output Class 3: Certification & Licensing

Output Class 4: Surveillance & Investigation

Output Class 5: Security Service Delivery	Screening Activity
	Audit Performance; Access Control; Maritime Security Services

FOCUS AREAS 2019 – 2021

Our safety and security focus areas are on pages 21-22 and measures are published annually in the Safety and Security Focus Area Work Programme (see www.caa.govt.nz).

CHANGE PROGRAMMES

Change programmes are on pages 23-24, and pages 27-28.

INDICATORS OF OUR SUCCESS

IMPACTS

Feeling safe – air travellers in New Zealand feel 'extremely' or 'very' safe and secure*

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

OBJECTIVES

Effective and efficient security services

- No airside or in-flight security incidents that compromise safety
- Refer Output Class 5: Security Service Delivery in the Statement of Performance Expectations
- Delivery of Avsec Future 2022 strategic plan (consistent with delivery of Output Class 5: Security Service Delivery).

A vibrant aviation system

- Reduced emissions / greenhouse gases through number of low emission aircraft certified into service
- Low and decreasing social cost of air accidents and incidents
- Minimised aviation-related barriers to trade, commerce and the movement of people
- Refer Output Class 1: Policy and Regulatory Strategy in the Statement of Performance Expectations
- Delivery of Regulatory Craft Programme objectives (consistent with delivery of Output Class 1: Policy and Regulatory Strategy)
- Delivery of New Southern Sky programme benefits (consistent with delivery of Output Class 1: Policy and Regulatory Strategy).

Improved sector safety performance

- Low and decreasing number of accidents
- Low and decreasing risk profiles in aviation document holders
- Safety and security focus area work programme delivered as published annually
- Refer Output Class 2: Outreach in the Statement of Performance Expectations
- Refer Output Class 3: Certification and Licensing in the Statement of Performance Expectations
- Refer Output Class 4: Surveillance and Investigation in the Statement of Performance Expectations
- Delivery of Safety Management System implementation programme objectives (consistent with Output Class 3: Certification and Licensing).

BENEFITS

SAFE AND SECURE PEOPLE

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

MINIMISED ENVIRONMENTAL IMPACT

Through reduced greenhouse gas emissions.

POSITIVE ECONOMIC IMPACT

Through minimising the aviation related barriers for movement of people and goods, and lower social cost of air accidents and incidents.

IMPROVED RESILIENCE AND SECURITY

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

Reporting on our progress

The Authority tracks its progress at three levels: system level, strategic performance and operational performance.

System level – to monitor the extent that New Zealand's civil aviation system is safe and secure through our impacts.

Strategic performance – to understand the impact of our activities and their contribution to improvements in safety and security through our key programmes and Statements of Performance Expectations.

Operational performance – to understand and continually improve the quality of the Authority's core activities and the services we deliver through the cost of outputs, organisational health and capability, and our quality, assurance and risk programmes.

How we will report on these is described in the following table:

Description	Document	Measures	Reporting to	Frequency
Outcomes	Statement of Intent Annual Report	-	Minister of Transport	Annually
Impacts	Statement of Intent Annual Report	Safety statistics survey information	Minister of Transport	Quarterly
Key programmes	Statements of Intent and Performance Expectations Annual Report	Project plan implementation	Minister of Transport	Quarterly
Statements of performance	Statement of Performance Expectations Annual Report	Quality Quantity Timeliness	Minister of Transport	Quarterly
Cost of outputs	Statement of Performance Expectations Annual Report	Financial	Minister of Finance	Quarterly
Organisational enablers	Statement of Intent Annual Report	Indicators of our human resources capability and staff engagement	Board, via the Board Health and Safety sub-committee for health and safety obligations	Quarterly
Quality, assurance and risk	Statement of Intent Annual Report	Reporting against the risk framework	Board, via the Board Audit, Finance and Risk sub-committee for audit, finance and risk obligations	Quarterly

Reporting to the Minister of Transport

We consult, brief, and report to the Minister of Transport regularly. Our communications with the Minister of Transport are timely, relevant, and produce collaborative and innovative solutions. The Board Chair and the Chief Executive provide the Minister with regular reports covering:

• Progress against the Statement of Intent (including the work programmes for the safety and security focus areas, and system change programmes);

• Risks and issues that may affect performance and organisational capability (including relationship management);

• Financial management; and

• Other matters as agreed with the Minister.

Each year, the Authority reports to the Minister of Transport, and all other stakeholders against the Statement of Intent and the Statement of Performance Expectations.

# SECTION 5

Appendices

Appendix One: Feel safe

In May 2017, the biennial survey 'Feel Safe' was conducted by Colmar Brunton.

When taking all aspects of aviation safety and security in New Zealand into account, the survey noted the majority of travellers felt very safe and secure when flying in New Zealand, including in any adventure and recreational aviation activities they participated in.

New Zealand resident travellers and, in particular, international travellers had widespread confidence in the safety and security of New Zealand aviation. Aviation security in New Zealand was considered effective and world class by three quarters of international travellers surveyed. Pre-flight security checks made the biggest contribution to both New Zealand resident and international travellers' feelings of safety and security – particularly the 'walk through' metal detectors and screening of carry-on luggage.

The Authority will continue to operate this survey biennially.

76%
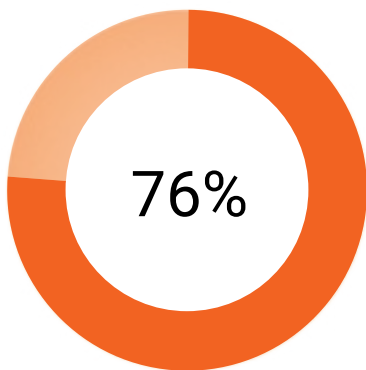
76% of New Zealand Resident travellers feel extremely or very safe and secure on their most recent domestic or international flight.

90%
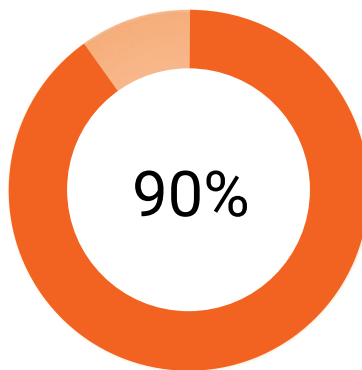
90% of overseas visitors feel extremely or very safe and secure on domestic or international flights departing New Zealand.

86%
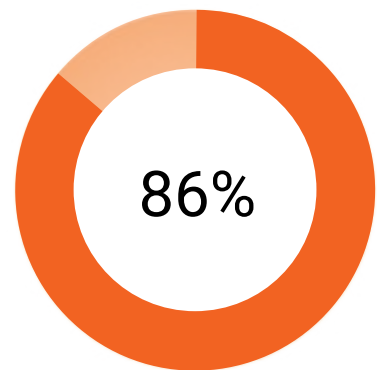
86% of people flying to overseas destinations from New Zealand feel safe.

81%
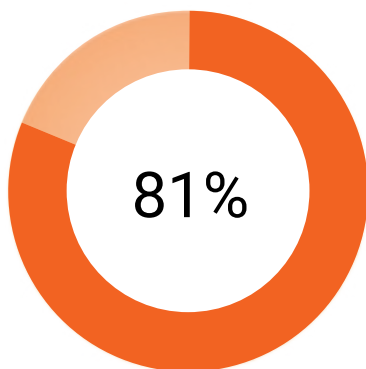
81% of people flying on screened domestic routes feel safe.

63%
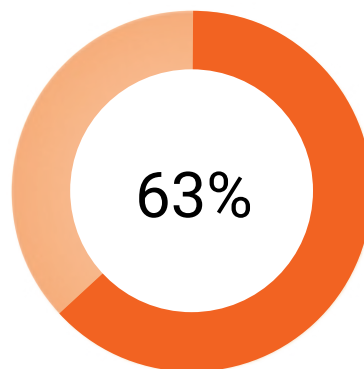
63% of people flying on non-screened domestic routes feel safe.

Appendix Two: Improved sector safety performance

Low and decreasing number of deaths in the aviation sector **Fatalities**					
	FOR THE YEAR ENDED 30 JUNE				
AVIATION SAFETY TARGET GROUPS	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**
PUBLIC AIR TRANSPORT					
Airline Operations – Large Aeroplanes	-	-	-	-	-
Airline Operations – Medium Aeroplanes	-	-	-	-	-
Airline Operations – Small Aeroplanes	-	1	-	-	-
Airline Operations – Helicopters	1	1	7	-	-
Sport Transport	-	-	-	-	1
OTHER COMMERCIAL OPERATIONS					
Other Commercial Operations – Aeroplanes	2	-	-	-	-
Other Commercial Operations – Helicopters	1	3	-	1	1
Other Commercial Operations – Sport	-	2	-	-	1
Agricultural Operations – Aeroplanes	-	-	-	2	-
Agricultural Operations – Helicopters	1	1	-	2	-
NON-COMMERCIAL OPERATIONS					
Private Operations – Aeroplanes	1	4	-	-	-
Private Operations – Helicopters	2	1	1	1	-
Private Operations – Sport	2	-	2	7	6

Low and decreasing number of injuries in the aviation sector					
Serious Injuries					
	FOR THE YEAR ENDED 30 JUNE				
AVIATION SAFETY TARGET GROUPS	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**
PUBLIC AIR TRANSPORT					
Airline Operations – Large Aeroplanes	3	-	-	1	-
Airline Operations – Medium Aeroplanes	-	-	-	-	-
Airline Operations – Small Aeroplanes	2	2	-	-	-
Airline Operations – Helicopters	1	6	1	1	-
Sport Transport	5	5	2	10	5
OTHER COMMERCIAL OPERATIONS					
Other Commercial Operations – Aeroplanes	6	-	-	1	-
Other Commercial Operations – Helicopters	3	-	-	2	2
Other Commercial Operations – Sport	2	2	1	3	1
Agricultural Operations – Aeroplanes	2	1	-	-	-
Agricultural Operations – Helicopters	-	-	1	1	-
NON-COMMERCIAL OPERATIONS					
Private Operations – Aeroplanes	-	2	-	2	-
Private Operations – Helicopters	-	2	1	-	-
Private Operations – Sport	9	14	13	11	10

Low and decreasing number of accidents in the aviation sector					
12-month moving average accident rate per 100,000 flying hours					
	FOR THE YEAR ENDED 30 JUNE				
AVIATION SAFETY TARGET GROUPS	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**
PUBLIC AIR TRANSPORT					
Airline Operations – Large Aeroplanes	1.17	0.30	0.30	0.57	-
Airline Operations – Medium Aeroplanes	-	2.57	-	-	-
Airline Operations – Small Aeroplanes	3.19	5.22	-	1.30	2.29
Airline Operations – Helicopters	9.14	3.08	5.16	2.08	1.22
Sport Transport (aeroplanes, helicopters, balloons only)	-	9.07	14.90	7.45	-
OTHER COMMERCIAL OPERATIONS					
Other Commercial Operations – Aeroplanes	5.04	3.84	4.15	1.86	3.73
Other Commercial Operations – Helicopters	13.56	12.11	11.10	21.65	12.13
Other Commercial Operations – Sport (aeroplanes, FB, helicopters only)	35.11	-	21.07	-	-
Agricultural Operations – Aeroplanes	15.17	7.02	5.15	18.65	12.87
Agricultural Operations – Helicopters	5.42	8.21	5.39	7.80	1.38
NON-COMMERCIAL OPERATIONS					
Private Operations – Aeroplanes	34.27	28.31	37.02	29.85	26.87
Private Operations – Helicopters	5.58	20.74	27.26	27.64	20.06
Private Operations – Sport (aeroplanes, helicopters, balloons only)	N/A	N/A	N/A	N/A	N/A

	FOR THE YEAR ENDED 30 JUNE				
ACCIDENTS AND INCIDENTS RELATING TO REMOTELY PILOTED AERIAL SYSTEMS (RPAS)* (recorded separately by the Authority)	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**
REPORTED REMOTELY PILOTED AERIAL SYSTEMS (RPAS) ACCIDENTS AND INCIDENTS					
Total RPAS-Related Reports	15	84	153	296	454

* Also known as drones.

Low and decreasing risk profiles in aviation document holders						
	FOR THE CALENDAR YEAR ENDED 31 DECEMBER					
ACTIVITY TYPE	**2014**	**2015**	**2016**	**2017**	**2018**	**REDUCTION IN RISK SCORE FROM 2014 TO 2018**
Australia AOC with Australia and New Zealand Aviation Mutual Recognition Agreement Part 108 Security	5.4	8.2	7.1	6.8	6.8	
Part 108 Security Programme	8.7	10.4	9.8	9.8	9.4	
Part 109 Regulated Air Cargo Agent	10.8	10.4	10.2	10.1	10.3	✔
Part 115 Adventure Aviation Operator	12.5	10.7	12.9	11.4	10.6	✔
"Part 119 Air Operator Certificate – Pacific"	n/a	n/a	n/a	n/a	n/a	
Part 121 Air Operator Large Aeroplanes	8.5	7.1	9.6	7.7	9.2	
Part 125 Air Operator Medium Aeroplanes	13	15.8	13.3	13.0	13.3	
Part 129 Foreign Air Transport Operator	5.6	6.3	10.1	12.3	5.6	
Part 135 Air Operator Helicopters and Small Aeroplanes	13.1	13.3	13	12.8	14.5	
Part 137 Agricultural Aircraft Operator	13.3	14.5	13.1	12.3	13.8	
Part 139 Aerodrome Operator	5	6.5	7.6	6.1	6.7	
Part 140 Aviation Security Service Organisation	6.6	5.6	16	9.0	22.2	
Part 141 Aviation Training Organisation	7.4	7	7.4	6.3	6.8	✔
Part 145 Maintenance Organisation	8.6	9.9	8.5	8.1	9.0	
Part 146 Aircraft Design Organisation	7.9	8.2	7.4	9.9	9.1	
Part 148 Aircraft Manufacturing Organisation	12.2	10.1	8.8	11.8	8.0	✔
Part 149 Aviation Recreation Organisation	11.5	14.5	11.9	10.4	10.0	✔
Part 171 Telecom Service Organisation	4.8	4.4	4.3	9.1	9.6	
Part 172 Air Traffic Service Organisation	12.7	12.6	12.6	12.6	10.1	✔
Part 173 Instrument Flight Procedure	4.4	6.5	5.1	4.1	22.6	
Part 174 Meteorological Service Organisation	4.4	5.2	5.3	5.3	5.0	
Part 175 Aeronautical Info Service Organisation	11.1	41.5	4.73	3.6	13.7	
Part 19F Supply Organisation	8.7	8.9	8.13	10.4	6.2	✔
Part 61 Pilot Licence (Aeroplane) Holder	n/a	n/a	n/a	n/a	n/a	
Part 66 Aircraft Maintenance Engineer	n/a	n/a	n/a	n/a	n/a	
Part 92 Dangerous Goods Pack Approval Holder	7	6.9	10.4	6.7	5.9	✔

Appendix Three: Effective and efficient security services

No security incidents that compromise safety					
Rate of security incidents					
	FOR THE YEAR ENDED 30 JUNE				
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18**
Inflight security incidents involving offences against the Aviation Crimes Act 1972 for aircraft which have been screened by the Aviation Security Service	-	-	-	-	-
Airside security incidents involving offences against the Aviation Crimes Act 1972 at security-designated aerodromes where the Aviation Security Service operates	-	-	-	-	-
Airside incidents involving the introduction of dangerous goods* into aircraft screened by the Aviation Security Service	-	-	-	-	-

*Dangerous goods incidents means an incident associated with and related to the carriage of dangerous goods by air after acceptance, that – 1) Results in injury to a person, property damage, fire, breakage, spillage leakage of fluid or radiation, or other evidence that the integrity of the package has not been maintained, or: 2) involves dangerous goods incorrectly declared, packaged, marked, or documented.

Appendix Four: A vibrant aviation system

Low and decreasing social cost of accidents in the aviation sector					
Total annual social cost of accidents ($M)					
	FOR THE YEAR ENDED 30 JUNE				
AVIATION SAFETY TARGET GROUPS	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**
PUBLIC AIR TRANSPORT					
Airline Operations – Large Aeroplanes	3.49	0.13	0.06	1.40	0.04
Airline Operations – Medium Aeroplanes	-	-	-	-	-
Airline Operations – Small Aeroplanes	1.04	5.22	-	-	0.04
Airline Operations – Helicopters	9.25	10.04	30.95	2.40	-
Sport Transport	0.98	2.44	1.00	4.55	6.06
OTHER COMMERCIAL OPERATIONS					
Other Commercial Operations – Aeroplanes	11.82	0.17	-	0.45	0.07
Other Commercial Operations – Helicopters	0.91	14.83	0.02	6.65	5.10
Other Commercial Operations – Sport	1.01	9.28	0.49	1.39	4.61
Agricultural Operations – Aeroplanes	1.83	0.77	-	9.31	-
Agricultural Operations – Helicopters	11.38	6.12	0.45	11.03	-
NON-COMMERCIAL OPERATIONS					
Private Operations – Aeroplanes	4.35	18.33	0.06	1.08	0.04
Private Operations – Helicopters	8.67	5.70	5.25	4.53	0.02
Private Operations – Sport	12.67	6.92	14.41	34.24	33.04

Social cost per unit of person exposure is defined as an economic measure of the cost of aviation to the nation. It assigns values to any deaths, rehabilitation costs from injuries, cost of property damaged or lost, and other specific external costs. The gross social cost calculated is pro-rated over the volume of aviation activity in any specified sector of the aviation community. The volume of aviation activity, the unit of person exposure, is per seat flying hour. For target groups not predominantly passenger-carrying, a surrogate of 500 kg of aircraft weight which is assessed as being the equivalent of an occupied seat. For sport groups, calculation of social cost is based on Authority estimates of aviation activity. The social cost of an aviation accident is based on the figure established and used by the Ministry of Transport in their annual 'social cost' report.

Maintenance of international credibility

A practical way of illustrating how the Authority maintains international credibility is by using the International Civil Aviation Organization (ICAO) Universal Safety Oversight Audit (USOAP) data. The parallel Universal Security Audit Programme (USAP) data is confidential and not available for publication.

States are audited periodically by ICAO to assess their effective implementation (EI) of the eight critical elements of their safety oversight systems. Eight separate audit areas are examined, and the results are tabulated here by critical element and by audit area – the overall score (expressed as a percentage) is the same.

New Zealand was audited in all eight audit areas in 2006, and was to have been audited in five in 2016. The November 2016 earthquake reduced the scope to the Accident and Incident Investigation (AIG) audit area only, as the CAA premises were closed for repairs over the audit period. Some minor changes to the audit scores resulted from the 2016 audit. Any further movement depends on ICAO's validation of the completed corrective actions from the 2006 and 2016 audits. No validation action for New Zealand is currently scheduled in 2019-20.

Under the current USOAP Continuous Monitoring Approach, States are encouraged to update their audit information through ICAO's online framework self-assessment facility. This enables ICAO to track States' progress and thus to allocate their audit resources accordingly.

INTERNATIONAL CIVIL AVIATION ORGANIZATION – universal safety oversight audit programme continuous monitoring approach									
CRITICAL ELEMENT	CE-1	CE-2	CE-3	CE-4	CE-5	CE-6	CE-7	CE-8	OVERALL EI
(CEs 2-8 are principally attributable to the work of the Civil Aviation Authority)	Primary aviation legislation	Specific operating regulations	State civil aviation system & safety oversight function	Technical personnel qualification and training	Technical guidance, tools and provision of safety-critical information	Licensing, certification, authorisation & approval obligations	Surveillance obligations	Resolution of safety concerns	
NZ EI	84.38	85.09	84.62	80.00	83.33	89.50	90.12	78.85	85.63
Australia	93.75	86.73	98.77	93.51	97.24	95.90	96.20	98.11	95.02
Global average	77.08	73.92	69.34	57.97	69.18	70.58	59.20	53.85	67.32
AUDIT AREA	LEG	ORG	PEL	OPS	AIR	AIG	ANS	AGA	OVERALL EI
	Primary aviation legislation and civil aviation regulations	Civil aviation organization	Personnel licensing	Aircraft operations	Airworthiness of aircraft	Accident and incident investigation	Air navigation services	Aerodromes and ground aids	
NZ EI	85.71	100.00	98.75	86.55	90.70	77.78	80.36	82.07	85.63
Australia	80.95	100.00	97.50	88.89	93.16	97.00	99.40	96.32	95.02
Global average	73.84	70.45	73.74	70.07	79.10	57.27	65.77	61.45	67.67

Data correct as at 31 March 2019.