

Making Regulatory Decisions – Operational Policy

1. Purpose

This policy provides principles and information to guide Civil Aviation Authority (CAA) decision-makers to make good regulatory decisions. How decisions are made in our regulatory functions and situations is further clarified in relevant function operational policies, procedures, and work tools. This bounds decision-making and, where relevant, supports our people to make decisions on behalf of the Director that align with our Strategy and reflect the Director's risk appetite.

2. Scope

This policy applies to all regulatory decisions we make in accordance with our functions, powers, and duties under the Civil Aviation Act 2023 (the Act), the Health and Safety at Work Act 2015 (HSWA), and the Hazardous Substances and New Organisms Act 1996 (HSNO).

3. Definitions

Application: an application or request for the grant, renewal, amendment, or endorsement of an aviation document; or an application for the issue or reissue of a medical certificate (unless the context otherwise requires).

Director: the person who is the Director of Civil Aviation (or the Acting Director) together with all persons who hold a delegation to act on behalf of the Director in matters within the policy's scope.

CAA focus areas¹: the safety and security initiatives and other areas of regulatory focus we are currently giving priority to.

Inspector: a person appointed under section 331 of the Act and/or section 163 of the HSWA.

Notifiable event: as defined in section 25 of the HSWA where relevant.

Notified incident: as defined in the Act under section 339(1) as 'an incident that has come to the attention of the CAA because of a notification under section 49(3) by any person', and in section 24 of the HSWA where relevant.

Occurrence: an accident or incident, as defined in Part 12 of the Civil Aviation Rules, Accidents, Incidents, and Statistics (5 April 2025).

Regulatory tools: the means available to CAA, inspectors, and the Director to fulfil CAA's main objective within the scope of their legislated functions, powers and duties.

Work tool: a document that supports a process or task, eg, forms, diagrams, process map, work instructions, matrices, and templates.

¹ CAA focus areas may address safety or security concerns, risks, and vulnerabilities across broader groupings or cohorts including specific aviation activities and operations, geographic areas, subsectors, sectors, and at a whole of system level.

4. We make regulatory decisions to fulfil our role and make an impact

Our strategy² sets out our vision, role, and focus. As set out in the Civil Aviation Act 2023 and our Strategy, our role is to facilitate the operation of a safe and secure aviation system.

We perform a number of activities, and in doing this we make decisions that impact individuals, organisations, sectors, and the system. We make these decisions to fulfil our role and make an impact. The three main impacts we aim to achieve are to:

- Strengthen system safety and security
- Enable innovation
- Drive efficiencies and deliver value.

In making decisions we actively consider how those decisions fit with our role and the impacts we want to make.

5. Decisions covered by this policy

This policy considers our regulatory decision-making broadly, including decisions about:

- system design such as decisions related to emerging aviation technologies, changes to the Civil Aviation Rules (rules), and granting or not granting exemptions from the Act
- the safety and security initiatives and CAA focus areas that we prioritise
- our engagement with participants and the sharing of information, advice, and education
- granting, renewing, amending, or endorsing an aviation document, or declining to do so³
- issuing or reissuing a medical certificate, or declining to do so⁴
- administrative action, such as:
 - imposing conditions or suspending or revoking an aviation document
 - issuing findings or directions
 - issuing an improvement, non-disturbance, or prohibition notice (under HSWA), or
 - detaining aircraft, seizing aeronautical products, or imposing prohibitions or conditions in relation to the operation or use of aerodromes, aircraft, and aeronautical products

² CAA strategy, available on the CAA website at: <https://www.aviation.govt.nz/assets/about-us/strategy/CAA-Strategy-2025.pdf>

³ Can only be done under the Act.

⁴ Can only be done under the Act.

- monitoring the performance of the civil aviation system as a whole and sectors, organisations, individuals, aircraft, aeronautical products, aerodromes, and aviation places
- responding to occurrences and other matters of concern
- whether to investigate a matter, and the purpose and scope of such an investigation
- the delivery of aviation security services
- enforcement action, such as issuing a warning, infringement notice, accepting an enforceable undertaking, or taking a prosecution
- declaration of an airside security area or security enhanced area
- security checks and making favourable or adverse security check determinations.

6. How we make decisions

We aim to make regulatory decisions that are focused on the most important matters, consistent, timely, proportionate, and that help maintain a safe and secure civil aviation system.

Some decisions we make are simple and straightforward, and some are very complex. We ensure all decisions are made in good faith, and with a proportionate and appropriate decision-making process.

In making decisions we apply these five stages.⁵

- We are intelligence-led, which means we draw on information available to us to identify and characterise situations of risk and unsafe practice in the civil aviation system.
- We undertake a risk-based assessment using relevant information and insights to help determine the nature and extent of the risk or risks involved.
- We consider public interest factors relevant to our consideration of the particular situation, and other factors based on what we know.
- We decide how best to respond and respond.
- We assess our impact by monitoring the results and considering if additional regulatory activity is required.

Our decision-making process is iterative. We revisit stages if it becomes apparent that we need more information, or that we need to take further action.

⁵ From our Regulatory Safety and Security Strategy 2022-2027.

In our decision-making we:

- apply appropriate knowledge and judgement, drawing on external subject matter expertise when needed
- take multiple considerations into account, including the availability of our resources
- may use AI where appropriate, for example to analyse information, but a person will always be in the decision-making process
- make sure our regulatory decisions and the rationale to for them are clearly understood, communicated, and fully documented.

7. Key principles that guide our decision-making

Three key principles underpin and guide the regulatory decisions we make.⁶

7.1 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. We also seek to ensure the health and safety of people who work in aviation is protected. We actively seek to identify, prevent, and respond to unsafe practice or unacceptable risk. We also, where needed, identify whether the aviation regulatory system remains fit for purpose and where needed, advocate for new rules and standards.

7.2 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 with the domestic and international aviation community to support them in understanding and fulfilling their requirements, and we demonstrate our organisational values in doing so.⁷

7.3 Collective learning and continuous improvement are critical

To support collective learning and continuous improvement with the aviation community we encourage, support, and protect a trusted culture so information is openly shared.

⁶ From our Regulatory Safety and Security Strategy 2022-2027.

⁷ Our organisational values are collaboration, transparency, integrity, respect, and professionalism.

8. Other factors that influence our decision-making

8.1 What legislation is relevant

Some of our functions can only be performed under the Act. For example, we can only issue, renew, suspend, or revoke aviation documents under the Act. In these situations we can't apply HSNO or HSWA.

Some actions, such as education, engagement, and enforcement, can be taken under any or all of the Act, HSWA, or HSNO – depending on the circumstances.

We may choose to apply just the Act, HSWA or HSNO, or a combination - such as the Act and HSWA. In deciding which Act(s) to apply we consider:

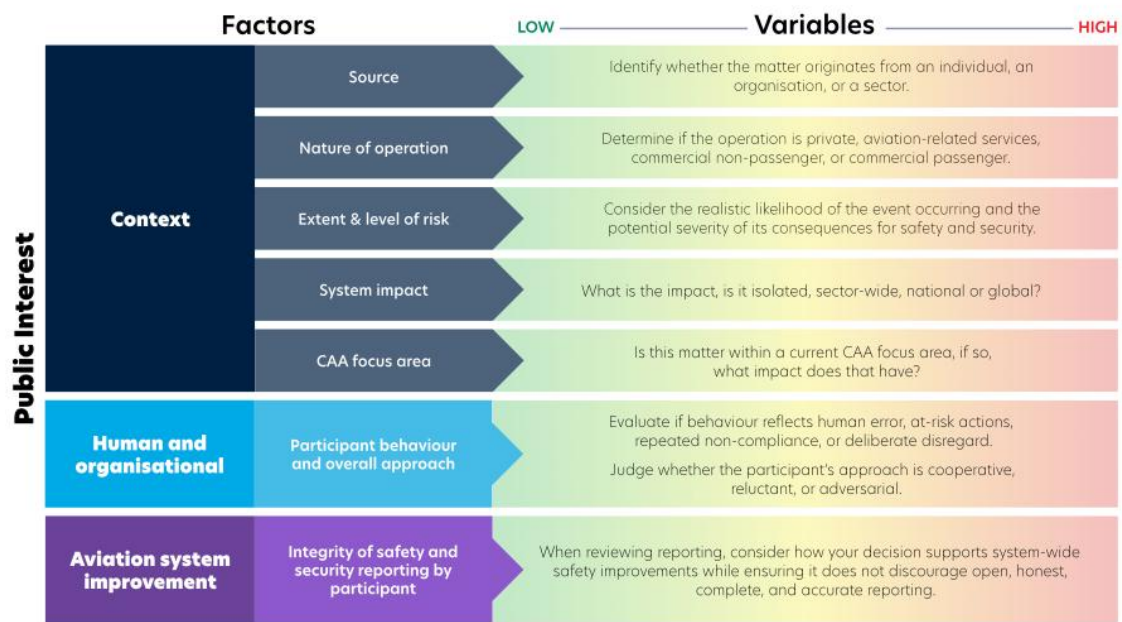
- our primary purpose under the Act (to undertake our functions to facilitate the operation of a safe and secure civil aviation system)
- which Act(s) are relevant and the intent of the Acts
- how best to achieve our desired outcomes.

For example, where a matter relates to both civil aviation safety and the safety of workers in the aviation sector then we may choose to apply both the Act and HSWA.

This decision is made on a case-by-case basis, with input from managers where needed.

8.2 Public interest factors

As a regulator we must make our decisions in the public interest. Public interest refers broadly to the welfare or well-being of the public, and of society as a whole, rather than serving the interests of individuals or groups. There are seven public interest factors we may take into consideration, depending on the nature of the matter involved:



We use the public interest factors collectively to assist us to characterise the matters we are addressing. In any particular case, we consider which factors apply, and weight them depending on their level of importance and priority in the overall context of the matter at hand.

The variables that are part of each factor are summarised below.

8.2.1 Source of the occurrence, safety or security risk, or other matter

We consider if the matter relates to:

- aviation participants (individuals and organisations)
- aircraft, aeronautical products, aerodromes, aviation-related services, or aviation places, or
- groups, subsectors, sectors, or other cohorts.

This helps us determine what kind of response to take and who we need to reach.

8.2.2 Nature of the operation

We consider the nature of the operation both broadly and specifically, including whether it is:

- private/recreational
- aviation-related services⁸
- commercial non-passenger

⁸ 'Aviation-related services' are as defined in the Act under section 5, Interpretation.

- emerging or experimental aviation technology, or new aircraft type
- commercial passenger.

This helps us consider the types of aviation risks involved and the potential severity of any consequences – and the most appropriate level of response.

8.2.3 Extent and level of risk

We also consider the extent and level of risk, and likelihood of harm actually occurring. We consider:

- if likelihood is low, medium, high, or extreme; and
- if consequences are none, minimal, moderate (significant injury and/or damage), major (death or serious injury and/or serious damage), or severe (multiple parties, deaths and/or serious injuries and/or severe damage).

This helps us assess the level of any particular risk and the likelihood and consequence of it, which helps inform our response (if any).

8.2.4 System impact

We consider if the actual or potential impact is:

- isolated – an isolated or localised risk or occurrence
- sector – an issue that is impacting a subsector, sector, or other cohort
- national – an issue that may have nationwide impact
- regional/global – an issue that may have regional or global impact.

This helps us think beyond the originating matter itself and enables us to take into account our assessment of each of the preceding factors. Our assessment of the wider implications for the aviation system leads us into determining whether, when, and how to respond.

This helps us assess whether to:

- confine our response to addressing the originating matter; or
- address the originating matter and the wider implications it has for the aviation system; or
- focus our response on addressing the wider implications for the system.

8.2.5 Whether the matter is in one of our CAA focus areas

We consider if the matter we're considering is in scope of one of our CAA focus areas or not.

We have a high interest in examining and pursuing matters that are in scope of our CAA focus areas, or that relate to them.

8.2.6 Participant behaviour and overall approach

The human and organisational factors involved have significant weighting in our decision-making. Where relevant, we consider if a participant's behaviour indicates:

- human error/accident – this indicates behaviour that is commensurate with level of training and experience, and/or appropriate exercise of professional judgment in the circumstances
- at-risk behaviour – behaviour is a departure or major departure from the standard of care reasonably expected in the circumstances
- repeat at-risk behaviour – behaviour is causing unnecessary danger to any person or property, and that repeats previous behaviour of the same or a similar kind
- conscious and deliberate disregard – behaviour is recklessly causing unnecessary danger to any person or property.

In assessing this factor, we consider the nature of the relationship between an organisation and its employees, contractors, or volunteers. We also consider the overall approach shown by individuals and organisations, or within subsectors, sectors, and other cohorts.

This helps us identify and characterise the type, history, and significance of findings and occurrences, and of any at-risk, reckless, or other non-compliant behaviour by an individual or organisation, or across a cohort, as applicable.

8.2.7 Integrity of safety and security reporting by participant

Where relevant we consider if a participant's reporting to us is:

- open and honest – a full account is submitted in accordance with the regulatory requirements; willingly engages in providing further information (including investigation reports submitted by certificated organisations)
- the bare minimum – the information submitted meets the bare minimum regulatory requirements; subsequent engagement indicates reluctance to provide more information
- incomplete – the information submitted falls short of the regulatory requirements
- absent – no information is submitted
- deliberately misleading – the information submitted is determined to be misleading, and deliberately so.

This helps us analyse the participant's attitudes and behaviours towards aviation safety and security.

In assessing the weight of this factor, we strike a balance to ensure that information continues to flow to us without compromising our ability to hold participants to account when it is in the public interest to do so. The Director must satisfy themselves that the public interest in taking enforcement action in respect of a notified incident outweighs any potential adverse impact on further

notifications.⁹ Additionally, an accident or incident notification is generally not admissible as evidence in a criminal proceeding against the person who provided the notification, unless the proceeding concerns the falsity of the notification.¹⁰

Our public interest considerations include the specific public interest considerations in the Act that the Director is required to take account of before taking enforcement action in relation to any notified incident¹¹, and that afford certain protections to individuals who properly report accidents and incidents.¹²

Where there is no self-reporting, or where there is evidence of repeated at-risk behaviours or recklessness, we consider what actions we should take to address such behaviours, including holding participants to account where appropriate.

8.3 Decisions and actions that are outcome-focused, proportionate, timely, and fair

Our regulatory decisions and actions are:

- made and carried out impartially¹³, with fairness, and following a consistent process
- properly informed and based on objective evidence
- balanced and proportionate, neither excessive nor insufficient
- made in a timely and efficient way.

We take into account how we can best achieve our objectives and address our priorities within our available resources. Alongside our costs, resources and time, we also consider the cost and resourcing impacts of our decisions on all directly affected parties, the civil aviation system as a whole, and the general public as appropriate and how these affect safety and security outcomes.

In deciding whether and how we respond, we consider (where relevant) the impacts on and needs of any victims, their whanau and communities.

We aim to use the right regulatory tool or combination of tools at the right time, with a focus on the desired outcome. We may decide not to act.

At times we may take more than one action. We may, for example, choose to:

- influence the design of legislation (including the rules) when we've identified the root cause of a problem as being an inadequacy or gap in the legislation and/or

⁹ section 341 of the Act.

¹⁰ section 340 of the Act.

¹¹ This is a notified incident as defined in section 339(1) of the Act. Section 49(3) requires that: 'Every aviation participant who is involved in an incident must notify the incident to the CAA if required by, and in accordance with any requirements specified in, the rules'.

¹² section 341 of the Act.

¹³ For all our employees and contractors, actual, potential, and perceived conflicts of interest are identified and managed in accordance with CAA's staff conflicts of interest policy.

- provide information, advice, and education where there's generalised poor understanding of a risk and the requirements for managing it across multiple participants and/or
- take administrative action where there is immediate or imminent exposure to harm. We may also take enforcement action where we believe there's been reckless or repeated unsafe behaviour, and it's in the public interest to do so.

In addressing situations of non-compliance confined to particular individuals or organisations, we use the least restrictive option we consider necessary to achieve the desired outcome or outcomes. In general, the greater the aviation risk or adverse impact on the system, the more substantial our regulatory involvement is likely to be. When faced with significant risk to public safety or security, we will take swift and decisive action to ensure the risk is soon either eliminated or suitably mitigated.

The way our considerations and process come together is reflected in each of our core operational policies and flows into our procedures and work tools.

9. After we make our decision

9.1 We document our decision-making

For every regulatory decision we make, all data and information received or created by us is saved in accordance with our Information, Data, and Records Management Policy. This record is started from when we start to consider a matter, through to our final decision.

It is critical that our regulatory decisions, and the rationale for them, are clearly documented and recorded. This helps ensure we can demonstrate that our decisions were properly informed and evidence-based and made impartially, and with fairness and consistency, and in a timely and responsive manner. It also means we can, if required, re-examine our decisions and it helps our overall picture of the performance of the civil aviation system.

9.2 We share what information we can

We are committed to transparency.

We advise applicants of the outcome of their application. Where relevant, we advise people of the option to seek an independent review of our decision and/or to appeal the decision.

Where we can we publish information and commentary about the occurrences reported to us, and about our regulatory decisions in response. The scope of the information and commentary we publish also includes other regulatory action we have taken to obtain compliance, address risk, change behaviour, and impose penalties.

9.3 We assess the impact of our decisions

We monitor the effectiveness of our actions to confirm if they have the intended effect. In doing this we ask if:

- the intended outcomes were achieved

- there are any unforeseen consequences (including unintended negative effects for participants)
- any further regulatory action is necessary.

Information gained through our regulatory functions helps us to address these questions, and to inform our understanding of how well our regulatory decisions and actions are achieving their aims and objectives.¹⁴

9.4 We may reexamine our decision

We might choose to re-examine our decisions if:

- more information becomes available
- unforeseen consequences have arisen
- intended outcomes are not being achieved
- the decision is subject to review or appeal.

We will also review and improve our processes and approaches when needed.

9.5 Those impacted can seek a review of our decisions

Certain people¹⁵ can seek an independent review of the following decisions under the Act.¹⁶ Where relevant, we advise people of the option to seek an independent review.

Decisions that can be subject to independent review are:

- Decisions to decline to register an aircraft under section 37 of the Act.
- A decision concerning the grant, issue, revocation, or suspension of an aviation document.
- A decision to impose conditions on an aviation document.
- A decision to issue an improvement notice under section 298 of the Act (if made by the Director under the Act or a person to whom the Director has delegated functions or powers under the Act).
- A decision to amend a New Zealand AOC with ANZA privileges or withdraw those privileges under section 93(3) of the Act.
- A decision under section 322(1)(a) of the Act to exempt or decline to exempt any one or more named aviation participants, aeronautical products, aircraft, aerodromes, aviation-

¹⁴ Refer to the scope of CAA's Monitoring - Operational Policy.

¹⁵ The people who can seek the review are the person in respect of whom a decision is made, or the owner, operator, or person in charge of an aircraft or aeronautical product that is the subject of a decision.

¹⁶ [Civil Aviation \(Independent Review Function\) Regulations 2025](#)

related services, or other things from one or more specified requirements in a regulation or rule made under the Act.

The Independent Review Function is administered by the [Ministry of Transport](#).

A decision under review remains in force until the Director makes a final decision. However, if the parties agree, the Director may, at any time before the reviewer reports their recommendations to the Director, make a final decision in the applicant's favour.

At the end of their review the Director considers the independent reviewer's recommendations and responds in writing to the applicant and the independent reviewer.

The Act also provides rights of appeal to the District Court in relation to decisions made by the Director or an inspector and specified in the Act.¹⁷ The court may confirm, reverse, or modify the decision appealed against. Pending the determination of an appeal, every decision of the Director appealed against continues in force¹⁸; and no person is excused from complying with any of the provisions of this Act on the ground that an appeal is pending.

10. Designing decision-making in our regulatory functions

This policy applies to all our regulatory functions¹⁹ and guides decision-making in those functions.

In most cases we have operational policies for our regulatory functions. These policies have been created to reflect this policy, and apply it in for the particular function. By following the relevant function operational policy, procedures, and work tools our people are acting in alignment with and meeting the intent of this policy.

When reviewing or creating function operational policy, procedures, or work tools we use the *Making Regulatory Decisions – Procedure* to help us ensure we reflect the intent and principles of this policy.

11. Measuring our performance

Our internal quality assurance and control processes assess our adherence to this policy to ensure it is being properly adopted. The overall effect of our regulatory decision-making is captured in our annual Statement of Performance Expectations, which sets out the regulatory outputs we provide together with the corresponding quality and timeliness standards against which we assess our performance for the business year under consideration. Our performance is also subject to external monitoring and review by the Ministry of Transport, Audit New Zealand, and the International Civil Aviation Organization (ICAO). Also, we seek and receive sector insights and viewpoints on our

¹⁷ Part 10 Regulations and miscellaneous provisions; Subpart 6 – Rights of appeal.

¹⁸ In respect of appeals, although the Act provides for decisions of the Director to continue in force, it does not do so for decisions made by inspectors.

¹⁹ Certification and licensing; engagement; information and education; monitoring; investigation; administrative and enforcement action.

approach to regulatory decision-making through our engagement with aviation participants, representative organisations, and other aviation sector stakeholders.

12. Document control

Title	Making Regulatory Decisions – Operational Policy
Effective date	20 August 2026
Author	Tracey Ayre, Manager, Operational Policy
Approver	John Kay, Deputy Chief Executive, System, Strategy and Policy
Quality approver	Alina Granger, Analyst, Quality Systems
Owner	Deputy Chief Executive, System, Strategy, and Policy
Endorsed by	Executive Leadership Team
Revision	3.0
Review date	20 August 2029
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Revision	Date	Description of change
1.0	1 November 2024	New Operational Policy.
2.0	17 December 2025	Title updated and changes made to introduce how we choose which legislation to apply, to simplify the policy's content, and reflect principles from the Solicitor-General's Guidelines.
3.0	20 August 2026	Minor changes to clarify the purpose and role of this policy, and its relationship to other operational policies and procedures, including use of AI.