



Annual Report

2024 - 2025



Aviation Security Service
— Kaiwhakamaru Rererangi —



Te Kāwanatanga o Aotearoa
New Zealand Government

Board statement

This Annual Report has been prepared in accordance with section 150 of the Crown Entities Act 2004.

I provide this Annual Report on the performance of the Civil Aviation Authority of New Zealand (CAA) for the financial year 1 July 2024 to 30 June 2025 (the 2024/25 FY).



Mark Darrow Chair of the Civil Aviation Authority of New Zealand 31 October 2025



Kane Patena Director of Civil Aviation and Chief Executive of the Civil Aviation Authority 31 October 2025

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Foreword and Statements of responsibility

From the Chair of the Civil Aviation Authority (CAA) Board

Kia ora koutou katoa

I am pleased to introduce CAA's Annual Report for 2024/25.

This year has been one of change and uplift as a new Board has overseen a reset of the organisation with a return to financial self-sustainability and a culture of confidence and performance - all while ensuring a safe and secure civil aviation system. We are proud of the way the Authority has responded to that challenge and the positive improvements being seen both in people and performance. But as always, there is much more to do.

Though measuring aviation security is not as straightforward as measuring safety, it is important to note that we have had another year without any in-flight security incidents. As outlined in the section on CAA's strategic intentions, we need to keep these goals front of mind, no matter what work the organisation is doing.

During this year there have been some key milestones.

Civil Aviation Act 2023 (CA Act 2023)

The CA Act 2023, which came into force on 5 April 2025, was the culmination of years of work between the Ministry of Transport (MoT) and CAA. This involved significant change internally including how our workforce is structured and our ways of working.

Advanced Aviation Reform (AAR)

New Zealand needs to keep pace with advances in Unmanned Aircraft Systems (UAS) and other technology, to develop into a centre of excellence for testing advanced aviation. In support of this goal, CAA developed a new Civil Aviation Rule (CAR) enabling special use airspace areas to test experimental aircraft.

Advanced aviation took another step forward when CAA granted Tāwhaki National Aerospace Centre the special use airspace at Kaitorete, to test innovative aircraft. A visit to the facility this year reinforced the value and enablement that CAA can positively bring to the aviation sector.

Financial sustainability

As for many agencies, there was a focus on fiscal sustainability. While CAA received post-COVID Government funding, as an industry regulator it is not appropriate to rely on taxpayers' funds indefinitely.

CAA assessed the resources required to do its work and consulted on a revised pricing structure from August to October 2024. As a result of consultation, the increase on fees, levies and charges for the General Aviation sector was limited to 10%.

There were larger increases to passenger safety and security levies following six¹ years of no increases, based on Cabinet direction that CAA becomes financially self-sufficient. We are conscious that we need to prove value for money; therefore, reviewing our cost-base remains an active workstream.

There is more detail in the *Insights on Output Class 1, Policy and Regulatory Strategy*.

Organisational culture

One of the Board's key responsibilities is ensuring a positive culture and staff wellbeing, and I was really pleased with progress during the year.

In 2024, the CAA Board commissioned an independent assessment of culture issues that were publicly highlighted in media backed by an employee engagement survey. The results informed needed changes to support our people and to help them deliver our important work. We have seen real improvements.

CAA reputation

It was great to see CAA and Aviation Security Service (AvSec) separately, both ranked in the top 10 agencies in the 2025 Public Sector Reputation Index. This survey measures public perception of 57 Government agencies, with points tallied for trust, leadership, fairness, and social responsibility.

AvSec placed 8th and CAA 9th – up from 11th and 13th in 2024. We saw gains in scores for trust and leadership, as well as for fairness and social responsibility.

A broad Stakeholder Survey undertaken a year ago indicated perceptions of CAA have weakened since 2022. While stakeholders were generally positive about safety, they cited consistency, timeliness and engagement as key areas where we need to improve.

Feedback like this can be challenging but is useful in pinpointing areas where the Board and CAA need to focus.

We are acutely aware that our certification processing is too slow, and it is a priority for the Board to see this improved in 2025/26.

I was heartened by the Ministerial Satisfaction Survey which indicated the Minister of Transport has a high degree of trust and confidence in the integrity and professionalism of the CAA officials who deliver advice to him, and the quality and reliability of advice and responses his office receives.

New Board

In August 2024, the Minister appointed a new CAA Board. I was appointed as Chair, Darin Cusack as Deputy Chair. Terry Murdoch, Simon Craddock and Louise Pengelly were appointed as Board members for a three-year term ending 31 July 2027, joining current

¹ Funding rates were set in in 2017 for CAA and 2019 for AvSec.

Board members, Jill Hatchwell and Charles Spillane who provided valuable continuity.

Louise had been a future director with CAA immediately prior.

Terry retired from the Board in April 2025, and Jill's second term ended in June 2025, but she has stayed on until mid-September to cover the recruitment period for new Directors.

Since formation, the new Board has met with nearly 100 stakeholder companies and associations, and we have greatly appreciated the positive interactions and candid feedback that helps the Board set our performance goals and priorities.

On behalf of the Board and CAA I would personally like to thank Jill and Terry and all past Board members for their public service.

New CAA Director

We recently announced a new Chief Executive (CE) and Director for CAA, Kane Patena. Kane (Ngāti Haua) who has significant regulatory experience as a Director of Land Transport at the New Zealand Transport Agency (NZTA) and Deputy Chief Executive (DCE) at WorkSafe. Kane started on 1 September. Having worked with Kane at NZTA I am delighted we have secured someone with such high personal integrity and experience in a modern regulatory context. The Board warmly welcomes Kane to lead CAA.

Together with new DCEs, DCE Aviation Safety Oversight, Catherine MacGowan and DCE Aviation Security, Fred Stein, the refreshed Executive team is showing the energy and momentum we need to continue the performance uplift at CAA.

I would also like to thank departing Executive Leadership Team (ELT) members, DCE Aviation Safety, David Harrison, General Manager AvSec, Mark Wheeler, and DCE Aviation Security and Infrastructure, Mike Hill. They all made huge contributions to CAA in leading their groups and helping CAA move into its new structure.

Retiring Director

On behalf of CAA and I am sure the whole aviation sector, I would like to acknowledge and convey my personal thank you to retiring CAA Director Keith Manch, not just for his five years leading CAA, but for his 50 years of public service. Keith's contribution to CAA has been immense during a period of extreme change. His experience, commitment and steady hand has provided CAA the platform to modernise and take on the challenges ahead.

Ministers

Finally, I would like to acknowledge Ministers Brown, Collins and Meager for their clear direction and expectations over the last year that has given us the required mandate for change; together with the Ministry of Transport we value the constructive relationship.



Mark Darrow Board Chair

From the Outgoing Director of Civil Aviation and Chief Executive (CE) of CAA

Kia ora koutou katoa,

In my final overview I would like to reflect on last year's achievements and welcome new leaders.

Highlights of 2024/25

New CA Act 2023

The CA Act 2023 was a major milestone. Behind the scenes, updating key documentation such as the CARs, guidance, application forms and the website was a lot of work for teams across CAA. However, this was necessary to ensure that there were enough resources and guidance for the sector to understand the impact of the changes on their roles and responsibilities.

Another major change, even though it may not have been noticed by passengers, was the integration of AvSec into CAA. In practice, this means that AvSec is no longer a separate entity, as it has been since 1977. This was a major adjustment, so I would like to acknowledge the AvSec leadership team for leading their teams through this process.

Preparing for the International Civil Aviation Organization (ICAO) audit

This has been another major piece of work, as outlined in the Output Class 1 Insights. Although the audit was only two weeks long, CAA, with MoT, the Transport Accident Investigation Commission (TAIC), other government agencies, and key operators, have been preparing for this since August 2024.

It is fair to say the audit was taken very seriously by CAA and our partner organisations. The preparation was substantial and, at times, exacting for many teams and the actual audit was intense, relying on the support of people across CAA and others. Everyone involved has shown their commitment to giving ICAO an accurate picture of the health of New Zealand's civil aviation system.

New organisational structure and ways of working

In tandem with the new legislation, CAA reviewed its capability and structure, standing up the new structure on 7 April 2025, and setting out a clear path forward for how we work.

A 'Ways of Working' document outlines CAA's vision as a modern regulator and what we will do to get there.

Certification timeliness

Addressing certification timeliness is a priority for us, and while we aren't there yet, encouraging progress has been made. Our plans to address this are outlined in the section on [Output Class 3, Certification and Licensing](#).

Improving passenger screening and adding international services to airports

The last year has seen technological advances reduce wait-times at airport screening.

June 2025 also marked a significant milestone as the first international flight for 13 years arrived and departed from Hamilton airport on 16 June. On 24 June, Dunedin airport saw their first international flight since 2019.

Both projects involved teams across CAA to put in place the appropriate regulatory and security arrangements and enable safe and secure processing. There is more about all of these initiatives in [Output Class 5, Security Service Delivery](#).

New leadership for CAA

Catherine MacGowan, DCE, Aviation Safety Oversight, started her career with the New Zealand Defence Force, gaining experience in navigation to support maritime activities across Asia Pacific, being deployed to Timor-Leste, then into a strategic advisory role.

Catherine joins CAA after four years with airplane manufacturer, Wisk Aero, developing Wisk's air operations' capability to meet regulatory standards.

Fred Stein, DCE, Aviation Security, began his career with the US Army, in the Judge Advocate General Corps, then spent 20 years with the Transport Security Administration (TSA) in the US Department of Homeland Security, responsible for ensuring passenger security across over 450 national airports.

Catherine and Fred have already benefited from the support and advice from outgoing DCEs, David Harrison and Mike Hill. I would like to thank David and Mike for their support and wisdom in the time we have worked together. I appreciated the depth of their knowledge and experience, and their calm, pragmatic approach. I wish them all the best.

New Director

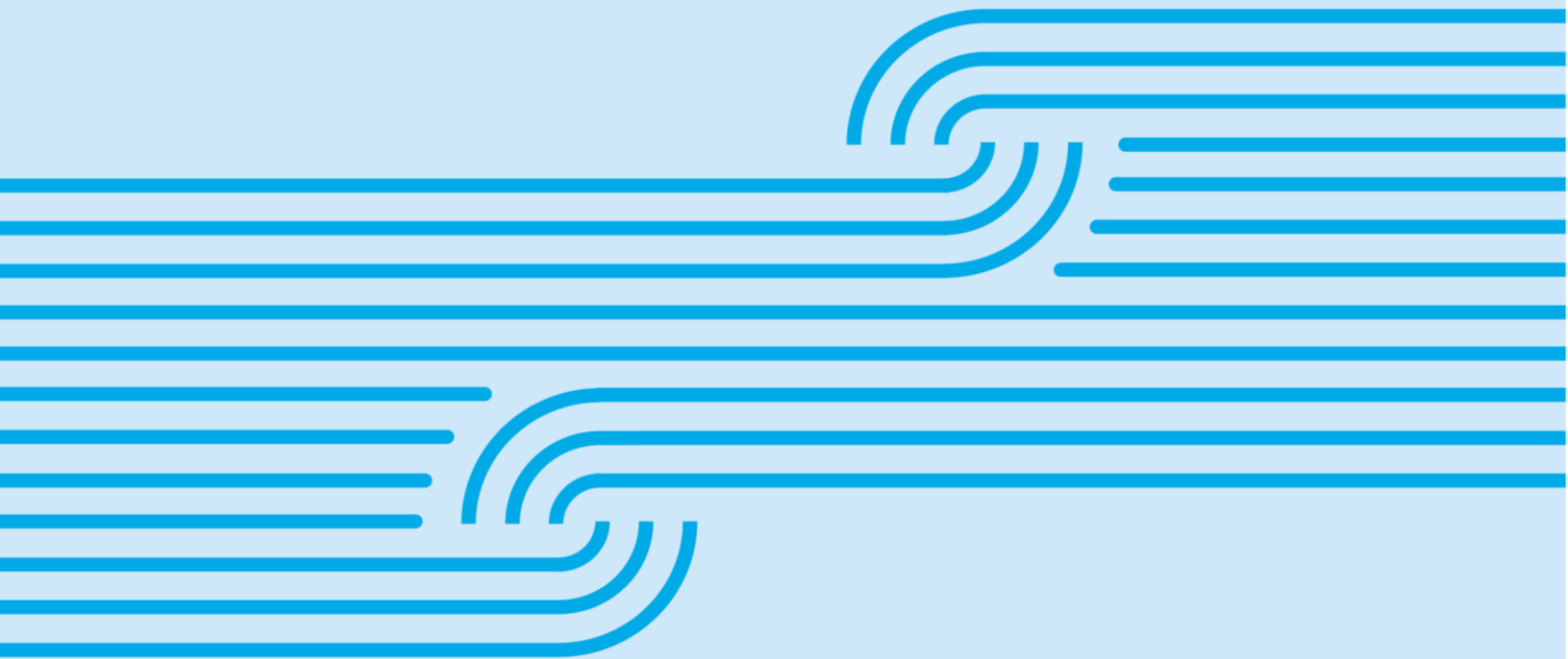
I was very pleased to learn of Kane's appointment, as I know him from his time as a lawyer and fellow regulator. Kane will be leading people who are passionate about the critical role CAA plays in aviation safety and security. His experience, coupled with the passion and the wide-ranging skills and deep aviation safety and security knowledge of the people in CAA, bodes well for the future.

I wish Kane, Catherine and Fred all the best in their roles. They are joining CAA at an exciting time, and I know they will be well supported by their new teams.



Keith Manch Outgoing Director and CE

Introduction



Our Organisation

Our Ministers

CAA has two Ministers: Hon James Meager, the Associate Minister of Transport, and Hon Judith Collins, the Minister for Space. While most of CAA's work is for the Associate Minister of Transport, the projects we report on to the Minister for Space contribute to New Zealand's future aviation sector.

Our Board

CAA is governed by a Board, appointed by the Minister of Transport, under the statutory functions set out in the Crown Entities Act 2004 and the CA Act 2023. The Board's role is to guide and direct CAA in setting and meeting its strategic objectives, managing risks and meeting performance expectations. It also has an interest in how well CAA is managing staff culture and the welfare of its people. To do this, the Board holds ELT to account.

The Board undertakes its functions in a way that facilitates safety and security, while working in an effective and efficient way.

Mark Darrow chairs the Board and Darin Cusack is the Deputy Chair. The other Board members are Charles Spillane, Louise Pengelly, and Simon Craddock.

Jill Hatchwell and Terry Murdoch ended their terms as Board members in 2025.

In September 2025, Mike Schubert and Peter O'Regan were appointed as Board members, starting in October 2025, and Mel Templeton was appointed as a Board member, starting in May 2026.

The Board has two sub-committees to support its governance responsibilities.

Audit, Risk and Assurance Sub-Committee (ARAC)

Jill Hatchwell chaired ARAC, which helps the Board ensure oversight of all matters relating to financial management, accounting, audits, reporting, and risk management.

People, Health, Safety and Wellbeing Sub-Committee (PHSW)

PHSW was chaired by Charles Spillane and helps the Board exercise governance over all matters relating to CAA's people, their health, safety, and wellbeing.

Our leadership team

The Director is appointed by the Board as both Director and CE of CAA. As the CE, he has powers delegated by the Board and as the Director, powers conferred directly under the CA Act 2023, such as making independent decisions about aviation documents, medical certificates, exemptions, safety and security regulatory interventions.

The ELT, our senior leadership group, is charged with making sure CAA is effective and efficient, and that CAA's safety and security teams are represented.

In addition to the incoming Director, Kane Patena, and new DCEs, Catherine MacGowan and Fred Stein, the other members of ELT are:

- Andrea Cooke, DCE People and Capability
- Dean Winter, DCE Regulatory Enablement and Response
- Jess Carter, Head of Assurance and Governance
- John Kay, DCE, System, Strategy and Policy
- Mark Davis, DCE, Corporate Services

CAA's new organisational structure

In April, CAA stood up its new organisational structure.

Our organisational change was built on earlier research, which found CAA was working well in some areas but needed to adapt to keep up with technological change, communicate more effectively with the sector and participants, and meet expectations from Ministers, the Board, the sector and the public.

While still safeguarding CAA's primary goals of ensuring safety and security in aviation, our new structure is part of our work to develop CAA as a modern regulator which:

- takes an earned autonomy approach to regulation.
- takes an intelligence-led, risk-based approach to decision-making.
- ensures our regulatory decision-making incorporates Just Culture² principles.
- collaborates with industry bodies and beneficiaries of regulation.
- develops leadership capabilities, so leaders can develop their staff.

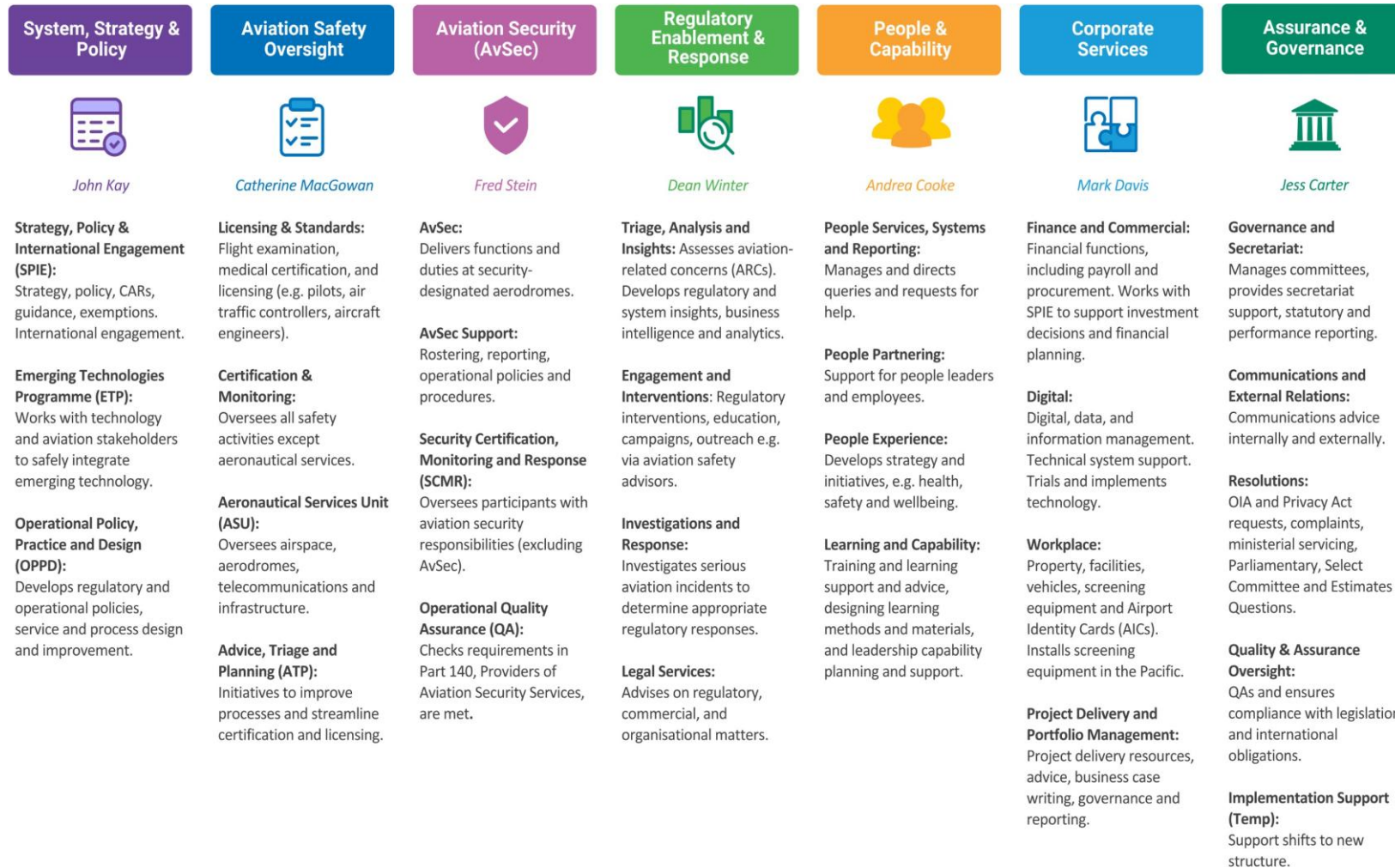
The change also adopted a one organisation approach, reflecting changes in the CA Act 2023. As a result, AvSec is now an operating group within the Aviation Security group in CAA, rather than a separate organisation which is required to hold an aviation document. CAA is still required to ensure AvSec delivers its activities in line with legislative standards and requirements.

CAA is now comprised of seven groups, whose functions are outlined in the table on the next page, *CAA group structure and functions*.

² Outlined in the section, Just Culture principles.

CAA group structure and functions

Kane Patena, Director and Chief Executive



Our organisation at a glance

2024/25 by the numbers

Note: The large numbers are 2024/25 figures, with comparison figures for 2023/24 below.



Investigations: Between 25/11/24, when Kapua, our new regulatory online platform, went live and 30/06/25, the end of the 2024/25 FY, we logged:



Note 1: We have not added a comparison figure with the 2023/24 FY for investigations and occurrences. This is because, due to changes in CAA's investigations and triage functions and the introduction of Kapua, CAA's new regulatory online platform, investigations and occurrences are now logged and managed differently. The figures in the graphic are for the period from 25 November 2024, when Kapua went live and the end of the 2024/25 FY.

Note 2: We considered including figures for non-passenger screening (NPS), but decided against this, because 'non-passengers' are not as clearly defined as passengers. We are working through underlying data for an NPS measurement to decide whether it is useful to include in future reports.

Note 3: People licensed refers to total licensed aircraft maintenance engineer licence holders, and pilot or air traffic controller individual licence holders with a valid medical as of 30 June 2025, for licences acquired before 1 July 2025.

Note 4: We have checked the number of organisations certificated to make sure it was done under the same parameters as in the previous FY.

Civil aviation in New Zealand

The aviation system

Aviation is a part of the wider transport system. Of people arriving in New Zealand, 99% do so by air, and a significant proportion of New Zealand's high-value goods also travel by air.

The Government's intention is for a transport system that improves personal connections and economic activity for all New Zealanders.

Aviation is critical to New Zealand's economy through its global and domestic connections, and the activity it enables. As the *Sector Profile* pages show, it is a diverse sector.

Aviation participants help grow the New Zealand economy in many ways, including enabling:

- domestic and international visitors.
- domestic aviation activities that support our economic and social well-being.
- trade, through faster imports and exports, particularly as a country that exports a lot of high-value, time-sensitive goods, like food.

Aviation also helps New Zealand in emergencies and recovery, e.g. in providing medevac flights, making emergency deliveries, or flying workers to remote disaster-struck regions.

Less obvious benefits include:

- fostering innovation in the emerging aviation and aerospace sectors to develop New Zealand as a centre of excellence for advanced aviation testing.
- protecting New Zealand's reputation as a safe and secure aviation system.

Which improves our ability to:

- grow trade and tourism.
- develop as a destination for organisations to train staff or test innovative technology.
- enter into mutual recognition agreements with other States to reduce regulatory costs on New Zealand aviation participants.

CAA has a critical role to play both in leading work and supporting what participants do to realise these benefits.

CAA achieves this by a range of tools, including allowing entry into the aviation system (through granting licences, certificates, and other approvals), enabling participants to keep operating (through ongoing monitoring and renewal of aviation documents), and helping advanced aviation operators navigate the certification process.

CAA's role in the civil aviation system

CAA has two main areas of focus: managing what is already happening in the aviation sector and preparing for the aviation sector of the future.

CAA's role in today's aviation sector

CAA aims to keep the aviation system safe and secure for the public and people who work in it and use it. To achieve this, we regulate:

- people (those who work in aviation, including pilots, engineers, and air traffic controllers, or those who are passengers), organisations, aircraft, and aviation infrastructure.
- functions, including certification, licensing, monitoring, investigation and enforcement.

CAA enables aviation activities that support economic and social well-being, as well as playing an important – albeit indirect – role in providing opportunities for growth in tourism, trade, and economic development. Examples of this include:

- upholding New Zealand's reputation as a safe and secure aviation system.
- agreements with other National Aviation Authorities (NAAs), to benefit New Zealand businesses operating in those jurisdictions or under their oversight.
- fostering innovation in the emerging aviation sector by working collaboratively with industry to support regulatory approvals for emerging aviation technologies.

These ambitions have to be assessed through the lens of the safety and security of our aviation system. Projects can only be progressed once we are satisfied that they do not increase safety or security risks beyond an acceptable level in the aviation system.

As New Zealand's civil aviation regulator, our vision and purpose is clear:

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

This is done through three pathways:

1. We manage safety and security at airports

This is the public facing part of CAA's work: the work of AvSec staff at airports, screening passengers, crew, airport workers, baggage, aircraft, cargo, vehicles, etc.

We aim to deliver world-class aviation security, as well as an efficient passenger experience.

CAA also:

- manages Airport Identity Cards (AICs), the documents employees or contractors need to work in the secure areas of airports.
- carries out security patrols, escorts and vehicle searches.
- collaborates with other security and border agencies at airports.
- audits airports and participants, such as Regulated Air Cargo Agents (RACAs).
- certifies airports and other participants, such as RACAs.
- maintains international connections as part of a global aviation network and system.

2. We manage civil aviation participants and the civil aviation system

We regulate people, organisations, aircraft and components. This involves managing:

- entry into the aviation system by granting certificates and licences to operate.
- the sustained operation of the New Zealand civil aviation system, by communicating and engaging with the aviation sector, responding appropriately to unsafe practice.
- occurrences³, monitoring, auditing and inspecting, and security screening.
- the exit of participants from the aviation system, e.g. if they are unable or unwilling to meet standards that keep the New Zealand aviation sector and passengers safe and secure.

3. We uphold the international aviation system and advocate for NZ civil aviation

As New Zealand's NAA we maintain alignment with international counterparts and ICAO.

CAA's role in the future aviation sector

In addition to our day-to-day work, reporting to the Associate Minister of Transport, we also report to the Minister for Space on Advanced Aviation Reform (AAR) and other emerging technology that will guide the aviation sector of the future. We do this through:

- developing rules and other legal instruments, which enable the advanced aviation sector to test new technology in New Zealand, building on our natural advantages in having relatively open airspace, to encourage cutting edge companies to carry out testing here.
- working directly with advanced aviation participants to help them find the right certification options for them within the New Zealand civil aviation system.

Many projects with advanced aviation participants are bespoke and complex, so can take more time than standard applications. Examples in the last financial year include granting:

- special use airspace to Tāwhaki National Aerospace Centre.
- certification for a very complex application from Dawn Aerospace.

The Dawn Aerospace process resulted in a very positive outcome for the company and grateful feedback to the CAA Board and the inspector involved.

³ Accidents or incidents involving aircraft.

Sector profiles

NZ's active aviation document holders (at 30 June 2025)

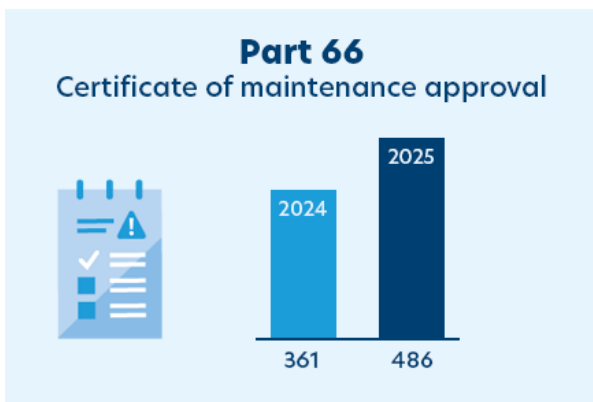
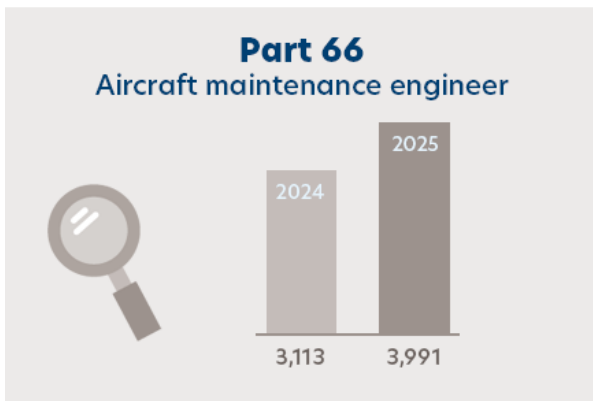
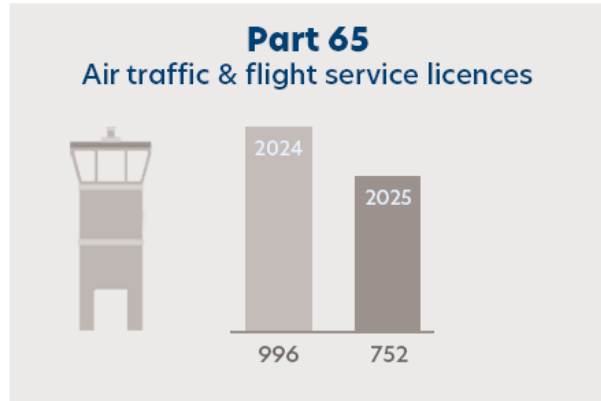
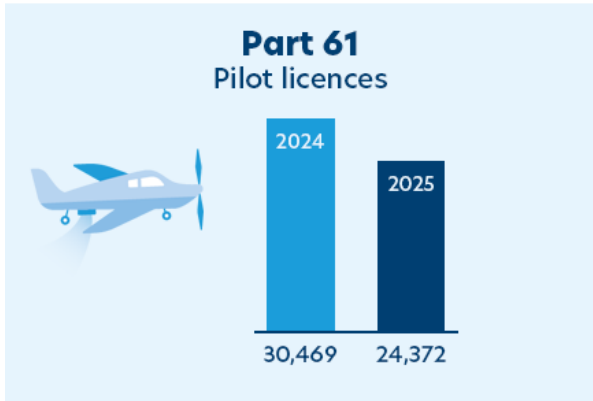
Certificates issued

Type of certificate	No certificates held at 30 June 25	No certificates held at 30 June 24
Part 19, Miscellaneous Rules, Subpart F, Supply Organisation Certificate	22	24
Part 92, Dangerous Goods Packaging	24	8
Part 102, Unmanned Aircraft Operator Certificate	294	200
Part 109, Regulated Air Cargo Agent Certificate	60	60
Part 115, Adventure Aviation Operator Certificate	18	20
Part 119, Air Operator Certificate ⁴	145	148
Part 129, Foreign Air Transport Operator Certificate	54	53
Part 137, Agricultural Aircraft Operator Certificate	108	111
Part 139, Aerodrome Operator Certificate	30	28
Part 141, Aviation Training Organisation Certificate	40	41
Part 145, Maintenance Organisation Certificate	53	52
Part 146, Aircraft Design Organisation Certificate	12	11
Part 147, Maintenance Training Organisation Certificate	4	4
Part 147R, Maintenance Training Org Cert - Restricted	2	0
Part 148, Aircraft Manufacturing Org Certificate	11	10
Part 149, Aviation Recreation Organisation Certificate	7	8
Part 171, Aeronautical Telecommunications Service Certificate	1	1
Part 172, Air Traffic Service Organisation	1	1
Part 173, Instrument Flight Procedure Certificate	1	1
Part 174, Meteorological Service Certificate	1	3
Part 175, Information Service Organisation	1	1
Synthetic Flight Trainer Certificate – General Aviation, Airline Transport Pilot, Helicopter ⁵	45	22

⁴ Includes operations under Part 121, Part 125, and Part 135, covering different classes of aircraft.

⁵ This is one way for applicants for a pilot's licence to meet their flight hours, recency or flight test requirements, in accordance with Part 61, Pilot Licences and Ratings.

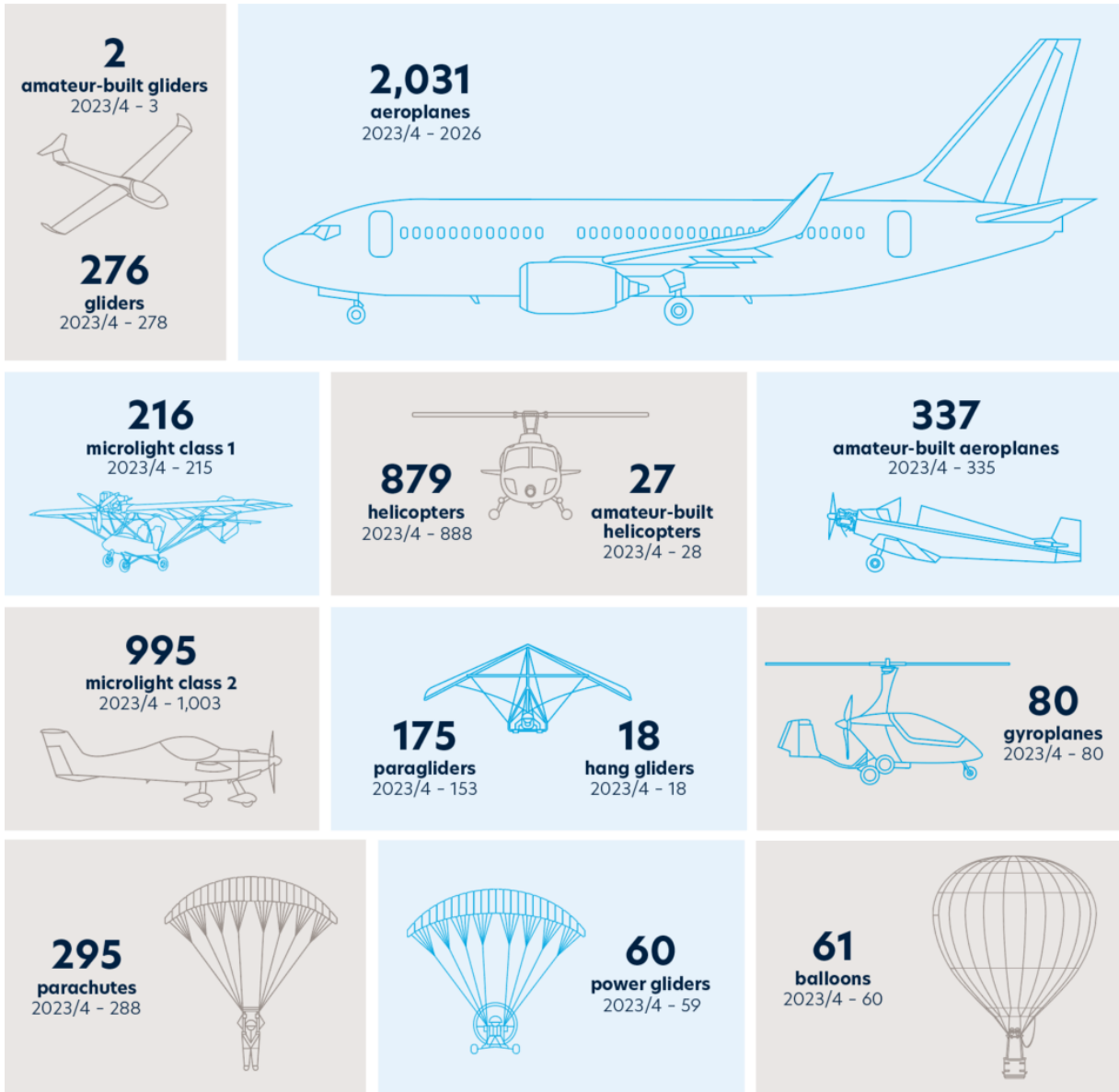
Individuals by licence type



New Zealand aviation sector (at 30 June 2025)

Aircraft Registered

Note: The large numbers are 2024/25 figures, with comparison figures for 2023/24 below.



Implementing Government priorities

The Minister of Transport has set clear expectations for CAA in 2024/25. Our performance is summarised below, with further detail provided in the relevant Output Class sections.

A focus on fiscal sustainability

We completed a pricing review in consultation with MoT, Ministers and industry in 2024, with the aim to become self-funded from 1 July 2025.

As a result of public submissions, the proposed increase on fees, levies and charges was reduced from the original proposal to an average of a 10% increase for General Aviation activities, although the increases to passenger safety and security levies were greater. Final rates signed off by Cabinet in December 2024 were:

- passenger safety levies increasing to \$3.92 per passenger.
- passenger security levies increasing to \$10.91 for domestic and \$22.30 for international passengers.

CAA was also empowered to pass on any new savings to the sector by reducing rates during the term of the pricing review when efficiencies are found (i.e. without having to wait for the next review).

The new rates were approved by Cabinet and came into effect 1 July 2025.

Improving certification timeliness, communication and consistency

CAA has not met this target for 2024/25, so it is a priority for us to address. There is further detail about this in [Output Class 3, Certification and Timeliness](#).

Monitoring and inspection targets

CAA has also not met this target for 2024/25, as outlined in more detail in: [Output Class 4, Monitoring, Inspection and Investigation](#).

Effectiveness and efficiency in aviation security screening

This was an area of marked improvement, due to a mixture of technological advances and work with airports, outlined in the section on [Output Class 5, Security Service Delivery](#).

Advanced aviation and aerospace technologies

As noted in the section on [CAA's role in the future aviation sector](#), this is the bulk of our work for the Minister for Space. Projects include a new CAR, Part 107, *Research and Development Organisation Certification*, for experimental/developmental aircraft. We also proposed changes to Part 101, *Gyrogliders and Parasails, Unmanned Aircraft (including Balloons), Kites, and Rockets - Operating Rules*, and Part 102, *Unmanned Aircraft Operator Certification*, to enable lower risk operations to be conducted with less regulatory burden.

It also includes the Emerging Technology Programme's (ETP's) role in partnering with innovative technology providers and helping them achieve certification.

CA Act 2023

This was one of the largest programmes of work for the 2024/25 year, involving multiple teams across CAA and MoT. There is more detail in the [Insights](#) section on Output Class 1, *Policy and Regulatory Strategy*.

ICAO Safety Audit

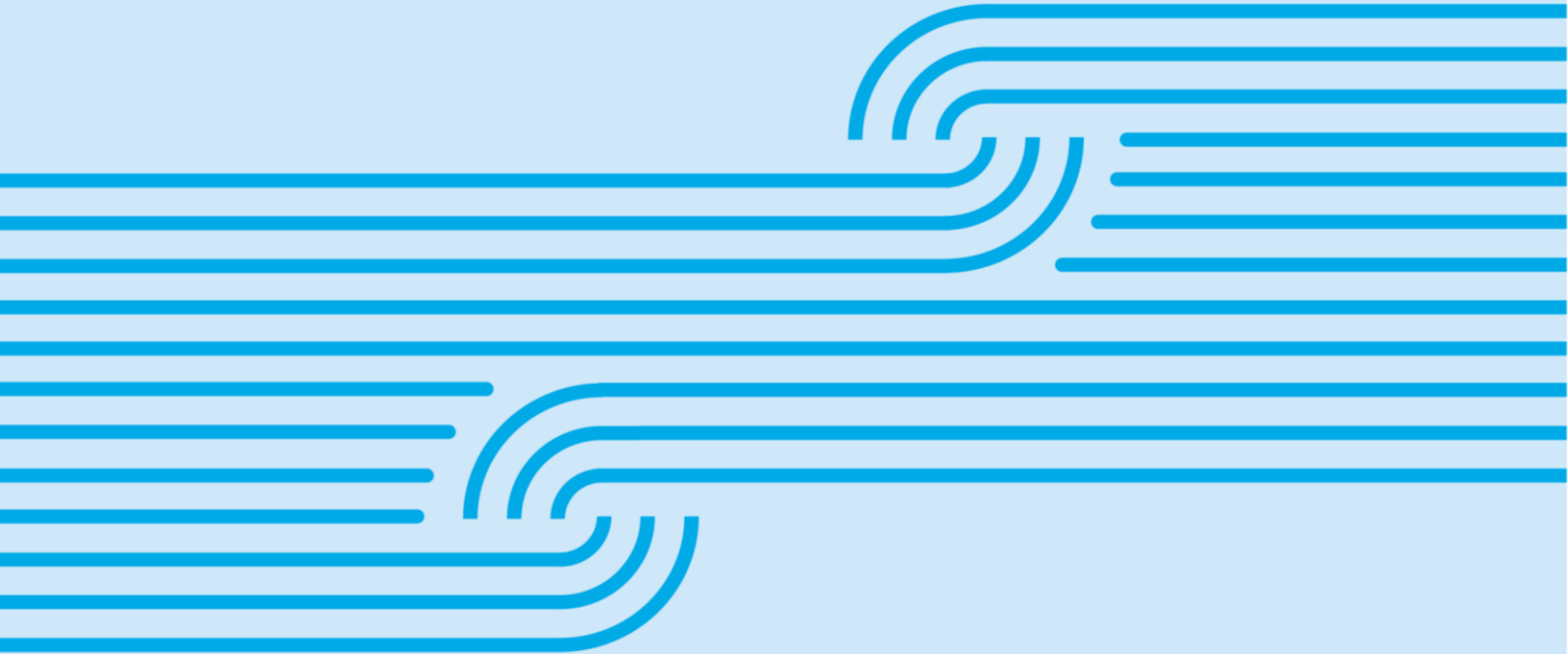
New Zealand welcomed the ICAO Safety Audit team in July 2025, where they completed the audit with CAA, MoT, TAIC and several other organisations. The results are not expected until early 2026.

There is more about this in the *Insights* section for Output Class 1.

Supporting positive economic and social outcomes

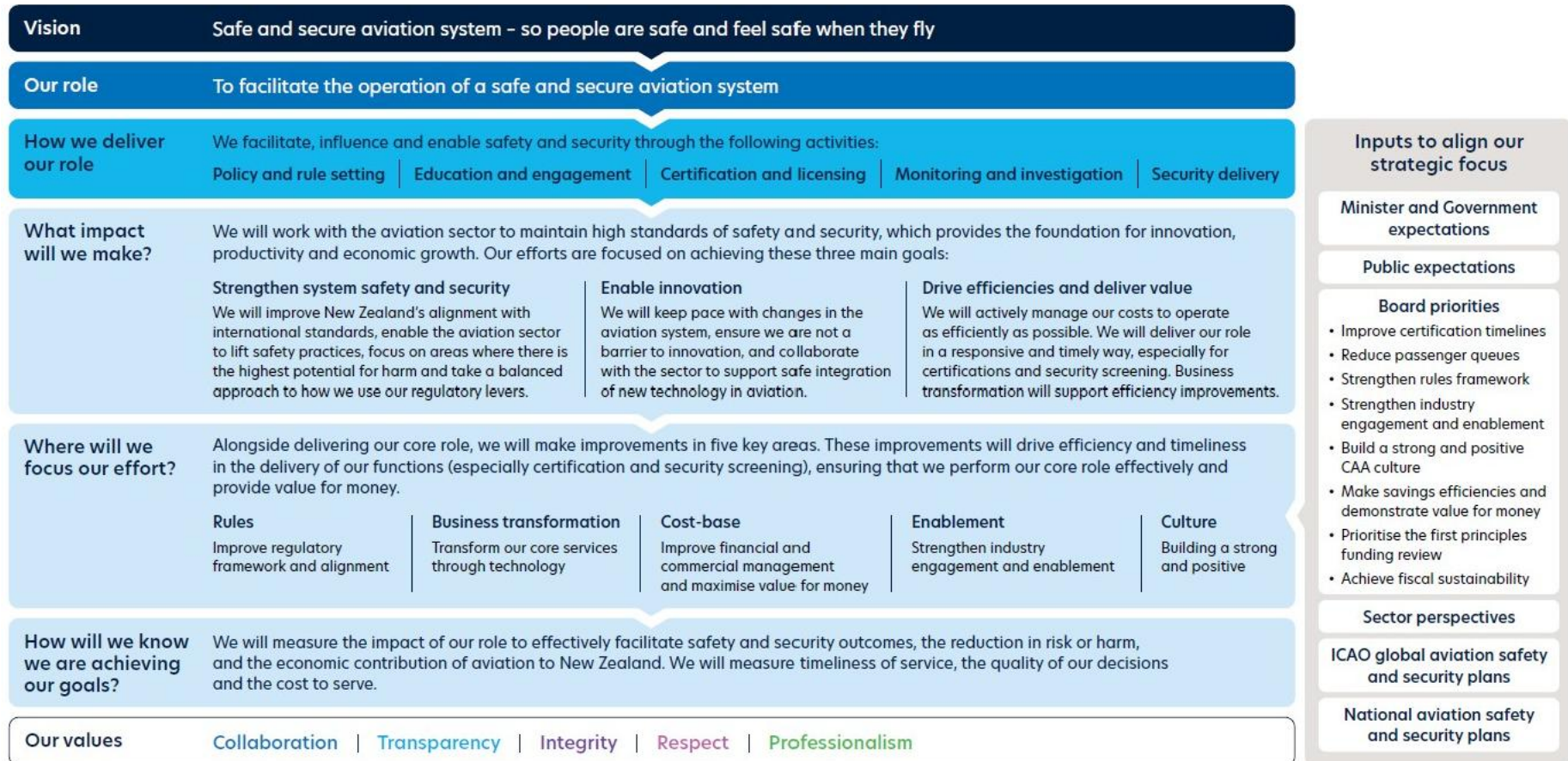
There is more information about CAA's work with Hamilton and Dunedin airports, to help them be able to welcome international flights, in the [Insights](#) section on Output Class 5, *Security Service Delivery*.

Strategic intent and outcomes



A refreshed strategy from 2025

The Authority has recently refreshed its strategy, which was finalised during the development of this annual report. The strategy on a page (below) reflects the Authority’s strategic priorities for 2025 onwards, building on the progress that has been made over the last year. It will be incorporated into the forthcoming statement of intent.



Our vision and purpose

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

CAA's primary purpose is to regulate the civil aviation sector to ensure it is as safe and secure as possible for passengers, participants and the public.

Aviation Safety

New Zealanders feel safe when they fly

We want people to be safe and feel safe when participating in, or engaging with, the aviation system.

We don't want anyone to experience the pain of loss because of a preventable tragedy. As New Zealand's civil aviation regulator, we do all we can to make sure such a tragedy does not happen.

We work across the system to make sure it is robust, meets international standards, and is well understood, with risks identified, and mitigated, as efficiently as possible.

We believe good regulation protects and enables a safe and secure civil aviation system.

How we know we're achieving 'being safe'

We gather and publish accident rates from across the civil aviation system. This information is used to understand the frequency of incidents and accidents, and in which areas they occur, so we can focus our resources. There is more detail in the Aviation Safety section.

How we know we're achieving 'feeling safe'

We commission a survey every second year to assess how safe New Zealanders and international visitors feel when flying in New Zealand (called the Feel Safe, Be Safe survey⁶). We know we're succeeding when the survey shows New Zealanders and international visitors continue to feel safe in our skies.

The survey was last run in 2024. It found that 80% of New Zealand-resident travellers, and 89% of international travellers felt extremely or very safe and secure when they flew.

This is an improvement from the 2022 results that found 72% of New Zealand-resident travellers and 86% of international travellers felt extremely or very safe and secure.

In addition, in the 2024 survey, 81% of New Zealand resident travellers and 97% of international travellers were satisfied with security procedures. These are improvements on the 2022 results of 78% of New Zealand-resident travellers and 96% of international travellers being satisfied with this.

⁶ The full survey is at <https://www.aviation.govt.nz/about-us/media-releases/show/passenger-and-stakeholder-research-results-2024/>

Aviation security

New Zealanders are secure when they fly

The aviation security environment can evolve very quickly, so it's important our security system anticipates, adapts, and responds to this. We succeed when our ability to detect threats through our security activities results in no system failure, injury, or economic impact.

While security is harder to measure than safety, CAA is developing ways to assess security more effectively. The refresh of New Zealand's National Civil Aviation Security Programme (NCASP) is a step forward in how CAA and aviation partners understand and manage security threats.

CAA's commitment to aviation security remains paramount, as is our commitment to safeguarding the travelling public and infrastructure. We use a layered security approach, through monitoring of restricted areas. Proactive surveillance, coupled with regular non-passenger security risk assessments, helps identify potential vulnerabilities before they can be exploited.

Once identified, CAA can then assess the risk and develop a mitigation plan to manage it. This helps to maintain a dynamic and responsive security posture, consistently enhancing the resilience of New Zealand's aviation system against evolving threats.

CAA's pathways

Leadership and influence

We lead and influence a safe and secure aviation system internationally and domestically.

We're successful when our stakeholders are engaged, we are well respected internationally and domestically, and we see participant and stakeholder behaviours improve.

Our work in this pathway includes:

- contributing to ICAO activities where we can build and leverage relationships to advance New Zealand's interests and those of the wider Pacific region, through our support for the Pacific Aviation Safety Office.
- engaging with international partners on areas such as risk management, mutual recognition agreements, and innovation in technology supporting security measures.
- supporting aviation security in the Pacific states.
- collaborating across Government to support wider transport outcomes.

Other fora, such as the Emerging Aviation Technologies Forum, outlined in the section on [Output Class 2, Outreach](#), focus on getting advice from the sector on likely technology in the aviation sector in future.

In New Zealand, our main engagement groups with the sector include the Aviation Community Advisory Group (ACAG) and Security Stewardship Group (SSG).

Aviation Community Advisory Group (ACAG)

ACAG is a safety-focused group. It represents the views of the aviation community and helps CAA understand emerging issues in the sector and the potential impacts on the wider regulatory system.

In 2024/25 ACAG discussed matters such as the pricing review, structural changes to CAA and changes to the Investigations function. It also advised on policy and rule development, and how CAA assesses aviation safety issues raised by participants and stakeholders.

Security Stewardship Group (SSG)

SSG was established in late 2023 to complement ACAG, focusing on aviation security. Its membership includes representatives from airlines, cargo agents and airports.

In 2024/25 SSG discussed topics such as efficient and effective aviation security operations at airports and the progress of corrective actions from the 2022 ICAO Security Audit and the redevelopment of the NCASP. It also discussed government consultations affecting airports and airlines (such as options for the delivery of aviation security services), the development of Regulatory Airport Spatial Undertakings (RASUs) enabled under the CA Act 2023, and global air cargo security.

Active regulatory stewardship

We're active stewards of the civil aviation regulatory system. This means we contribute to a whole-of-system, life-cycle view of safety and security regulation.

Regulatory systems need ongoing updates and attention, so we continually monitor and upgrade the system to ensure it is fit-for-purpose.

Our work in this pathway includes:

- bringing the CA Act 2023 into force.
- managing the aviation safety and security policy and rules programme.
- exploring and supporting the development and use of new technologies.

There is more detail in the [Insights](#) section on Output Class 1.

Professional regulatory practice

We act to make sure the aviation system is safe and secure through implementing regulatory requirements. Professional regulatory practice refers to the way we regulate across the whole civil aviation system – as people enter, operate or engage within, and exit the system.

Our actions and approach are firmly grounded in our values of collaboration, transparency, integrity, respect, and professionalism. Work in this pathway includes:

- managing entrance into the aviation system through certification and licensing.
- ongoing monitoring and inspection.
- investigating accidents and occurrences.
- security screening activities.

There are more details on these areas in the sections:

- Output Class 3, *Certification and licensing*.
- Output Class 4, *Monitoring, inspection and investigation*.
- Output Class 5, *Security service delivery*.

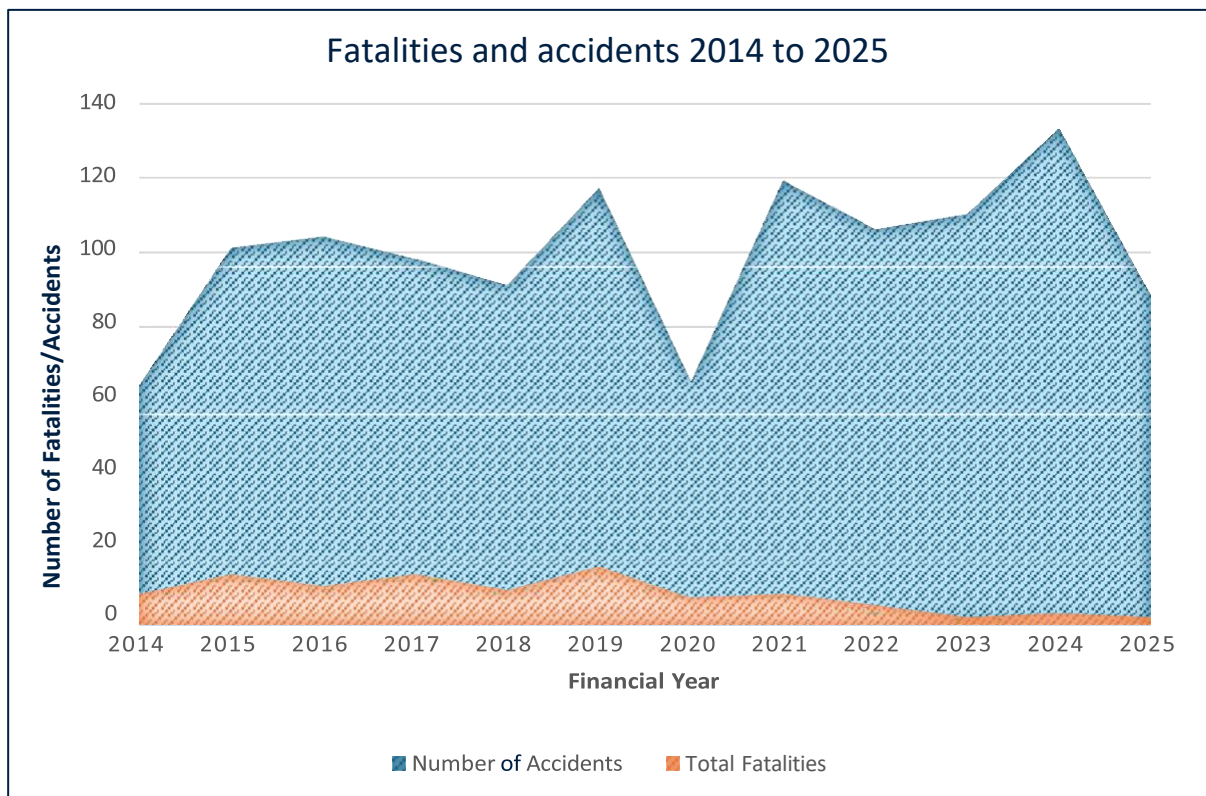
Aviation safety

CAA's overriding purpose is to make sure New Zealand's civil aviation system is safe and secure. As a result of the work we do, people should be safe and feel safe when they fly.

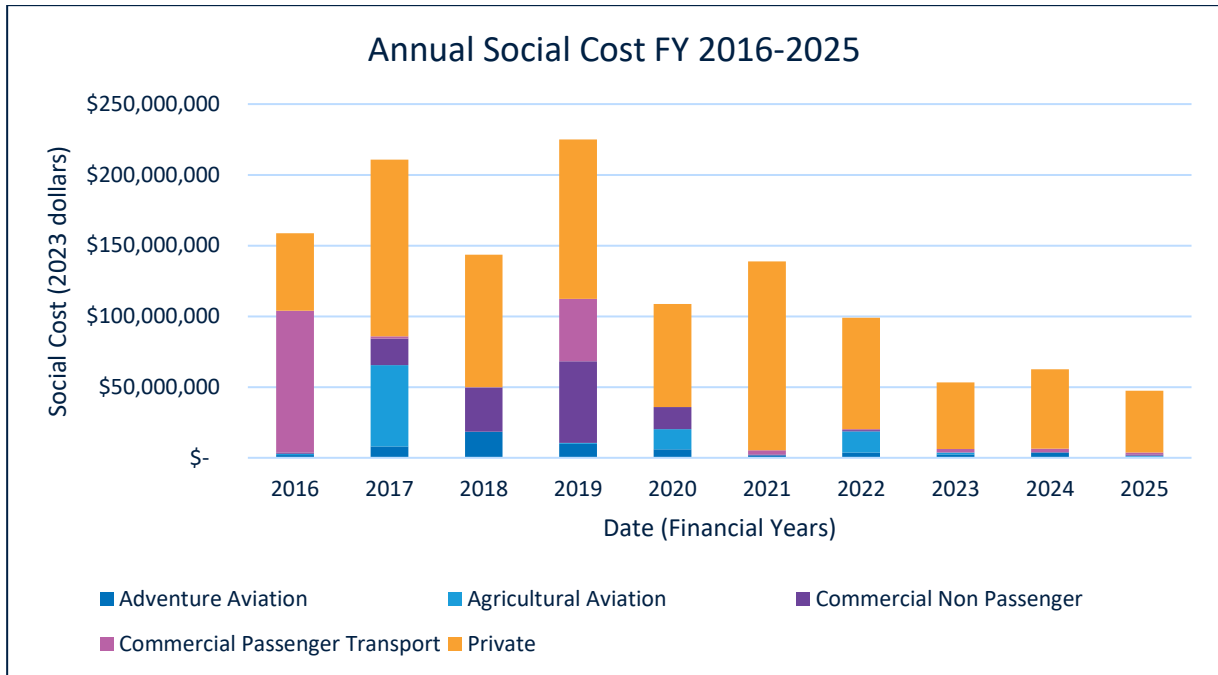
We measure accident rates to understand safety performance by different sectors of the aviation system.

Aviation fatalities and accidents

The table below shows actual recorded numbers only.



Social cost by sector



Reduced social cost of accidents

The social cost of accidents has decreased over time. The Value of Statistical Life was established at \$2 million in 1991 and is indexed to the average hourly earnings to express the value in current dollars. It is \$14.22 million per fatality, at June 2023 prices.

Safety by sector

Aviation safety varies considerably by sector. Commercial passenger transport remains exceptionally safe, while other sectors have additional inherent risks to manage.

How accident rates are derived

An accident rate is a ratio of the number of accidents to the amount of activity. This is measured in hours flown, or flights taken. We express the rate as the number of accidents per 100,000 hours flown:

$$\text{Accident Rate} = \frac{\text{Number of Accidents}}{\text{Hours Flown}} \times 100,000$$

OR for adventure aviation the measure is based on the number of flights or descents, as the focus is mostly on parachuting and paragliding:

$$\text{Accident Rate} = \frac{\text{Number of Accidents}}{\text{Flights}} \times 100,000$$

This metric is reported quarterly, with the trend shown as a three-year moving average because individual quarters can be variable.

Safety performance is best read as a long-term trend with incremental changes over time. Quarterly variations are often a function of a localised up-tick. In some sectors, most accidents happen at a particular time of the year, so it is more important to look at the longer-term trend.

How sectors are defined

Commercial passenger operations - airline and freight activity with aircraft ranging from wide bodied jets to small aeroplanes and helicopters.

Commercial non-passenger operations - commercial concerns such as pilot training, aerial surveying, firefighting, search and rescue operations. It is a diverse sector.

Adventure aviation - commercially oriented sector with participants operating under Part 115. The larger part of activity in this sector is parachuting and paragliding.

Agricultural aviation - purpose-built top-dressing aircraft, and light standard aircraft and helicopters fitted with spray booms and/or hoppers or buckets for dispensing fertiliser or other agricultural products.

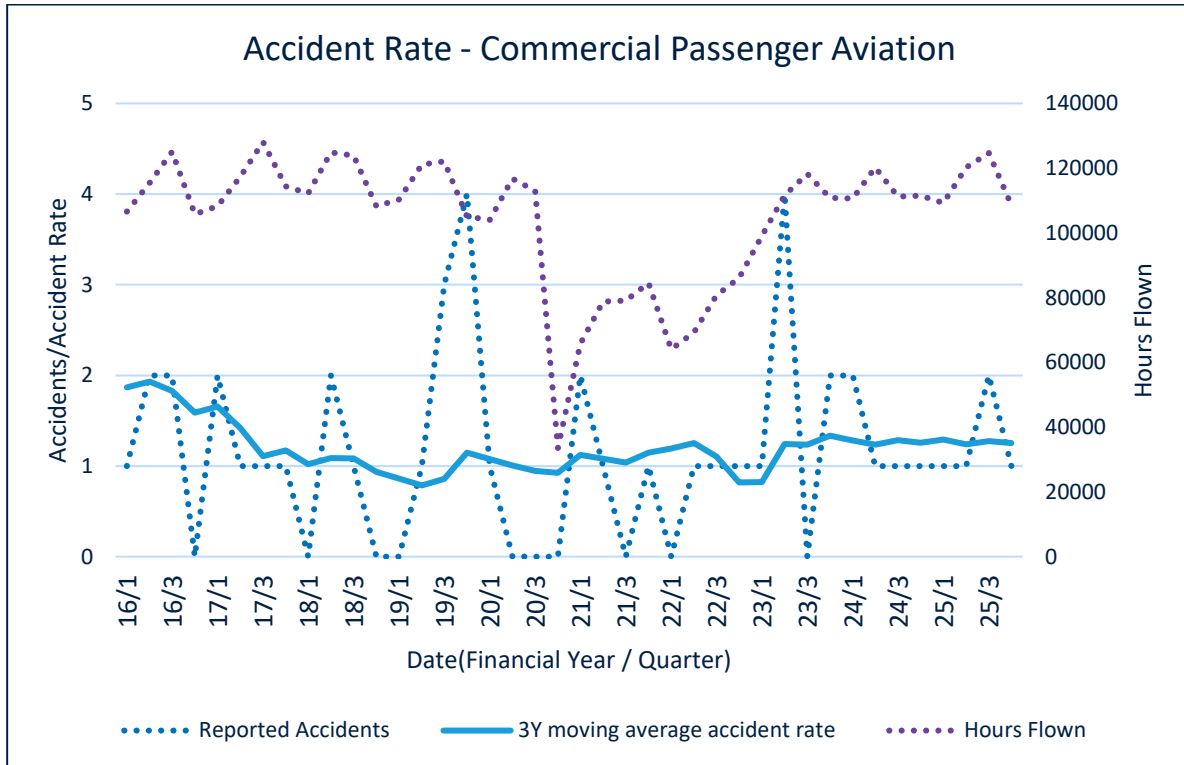
Private operations - participants operating aircraft not for hire or reward. This can include non-commercially operated parachuting, paragliding and hang gliding.

Note: Data and information provided for this quarter is based on a different methodology used to calculate the accident rate. The changes made are:

1. The total hours flown figure is now based on the total reported number of hours, so the estimated total hours flown is not used. It also now excludes missing returns.
2. Commercial passenger sector figures now exclude adventure aviation, which is now represented in its own graph. This was because:
 - a. Total hours flown are not often recorded for this sector, so using the number of flights/descents is a more accurate representation of movements in this sector.
 - b. Adventure aviation relates to Part 115 and is separate from operations under Part 119. The adventure aviation composition differs to Part 119 operators and therefore should be represented independently of Part 119 operators.
3. Private sector accident rates have been removed and now show the total number of accidents. Data is not collected for flight hours for 'private sport aircraft,' so it is not possible to calculate an accident rate. It is more feasible to show the total number of accidents.
4. Private sector figures now include private sport aircraft accidents.
5. Private sector figures show seasonality effects, with peak number of accidents occurring in the third quarter, January to March.
6. The methodology used previously to calculate accident rates was revised and adjustments made to ensure the rate included the above changes.

7. Social cost now is shown annually, where previously a three-year moving average was shown. A three-year moving average creates a smooth line, where annual points create 'spikes' due to individual events.

Annual accident rates per 100,000 hours, and annual flight hours over the past 20 years



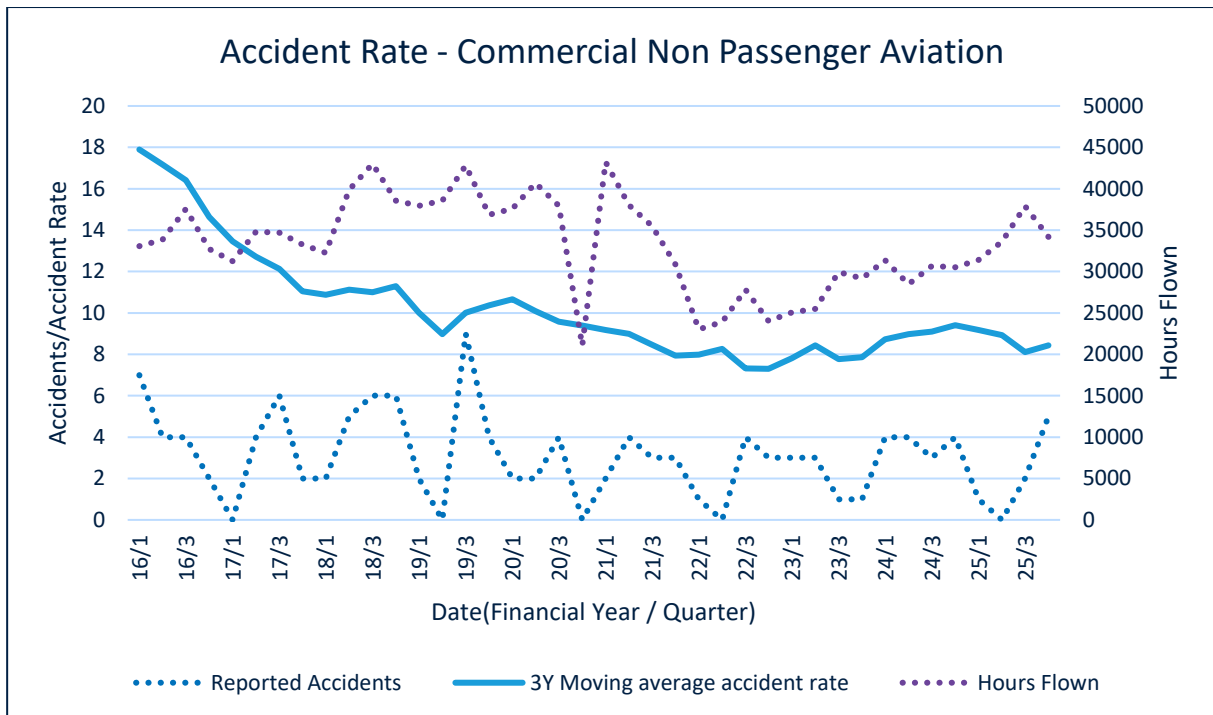
The accident rate for the commercial passenger sector continues to be low, with five accidents over 2024/25.

Three of these accidents occurred on commercial helicopter flights. One was where the helicopter rolled on landing, with both the pilot and the passenger sustaining broken bones. The second was when the passenger was disembarking and fell, breaking their wrist. The third accident only resulted in damage to the helicopter.

Another accident occurred on the ground at an aerodrome, when the sling to move a disabled passenger snapped, causing the passenger to fall to the ground. The passenger was hospitalised for further monitoring.

There was one accident on board an international flight, which occurred to a crew member en-route. They twisted their foot as they entered the crew rest area, breaking a bone.

As noted above in Note 2, commercial passenger sector figures now exclude adventure aviation, so these figures may look slightly different from last year's annual report.



Over 2024/25 there were eight accidents within the commercial non-passenger sector.

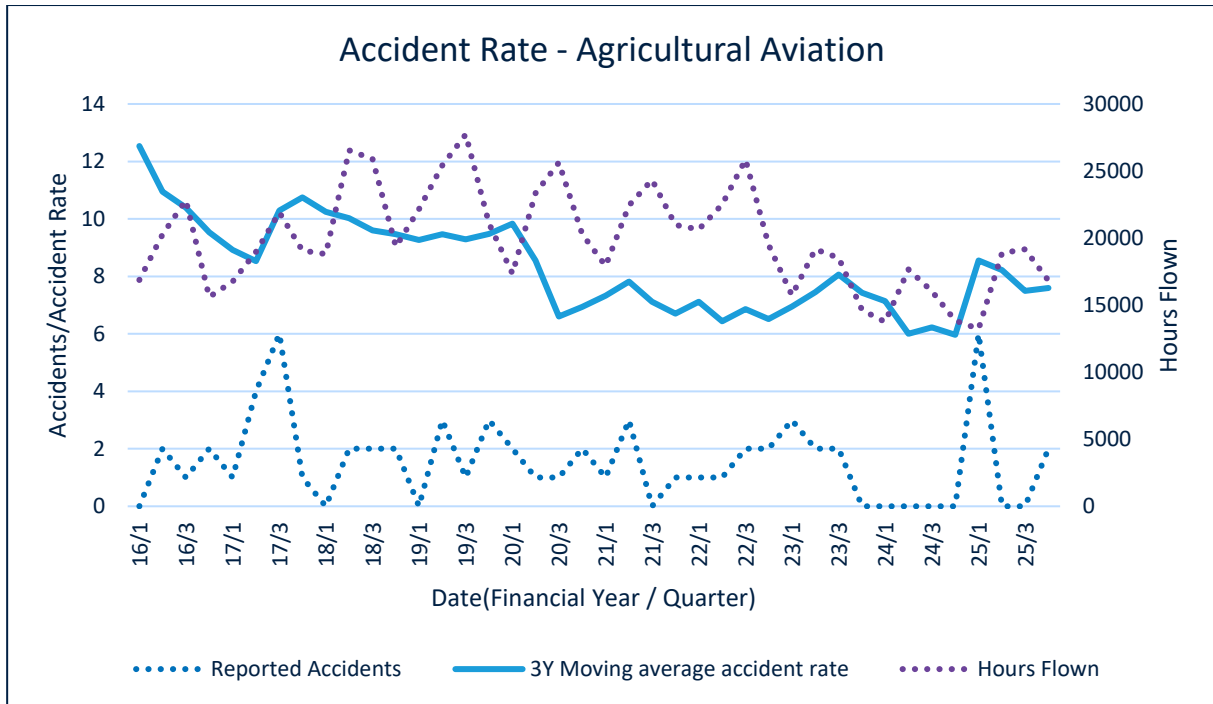
With the enactment of the CA Act 2023, we are now required to report on unmanned aircraft system (UAS)⁷ accidents. This could see the rate of accidents in the commercial non-passenger sector increase over time, given the level of UAS activity in this sector.

Since the CA Act 2023 came into force, four accidents have involved UAS. These occurred due to loss of power and/or signal loss, causing the UA to drop from the sky. One of the accidents was a large public display event where seven UA fell into the lake.

Two of the other accidents occurred while on flight training. One was with a paraglider where there was a line twist on launch, causing the paraglider to hit the ground and seriously injure the trainee. The other was with a helicopter which rolled while on a training flight, causing damage to the helicopter.

The last two accidents involved helicopters either picking up or dropping off passengers in remote terrain. In one, the helicopter came in for a hard landing causing significant tail boom damage. The other involved a passenger who fell over on rough terrain due to back wash from the helicopter on take-off.

⁷ We use the term UAS, instead of RPAS (remotely piloted aircraft system) to be consistent with the rest of the sector and ICAO terminology.



Over 2024/25 there were eight accidents in the agricultural sector. Six happened in the first quarter of the year.

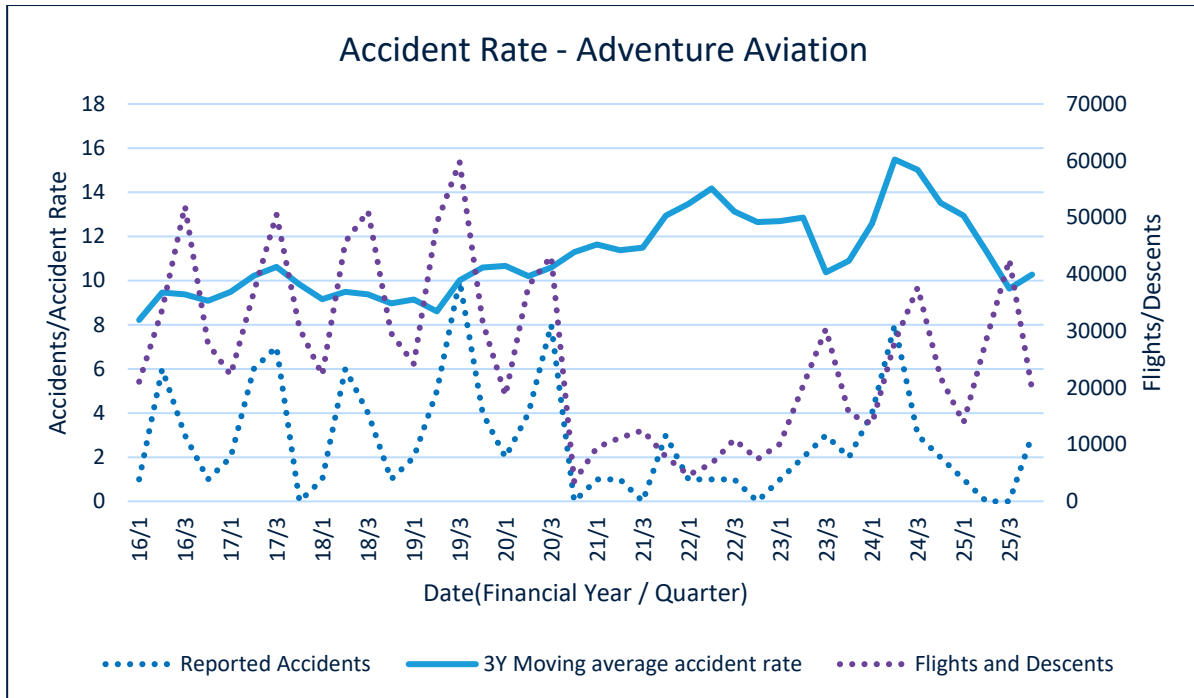
Four involved fixed wing aircraft. Of these, three were due to problems on take-off and colliding with terrain/fences. The other occurred when the aircraft engine had reduced power and had a rough landing. All four accidents damaged the aircraft but caused no injuries.

Three accidents involved helicopters. One caused serious injury to the ground person attaching a bucket of fertiliser when the ropes got tangled in the main rotor blades. The other two resulted in sustained damage to the helicopters:

- one due to a spray boom failure where the newly modified spray boom folded up through the main rotor blades.
- the other due to a wire strike during a helicopter spraying operation requiring an immediate forced landing.

One accident involved a UAS which lost power and crashed into a tree.

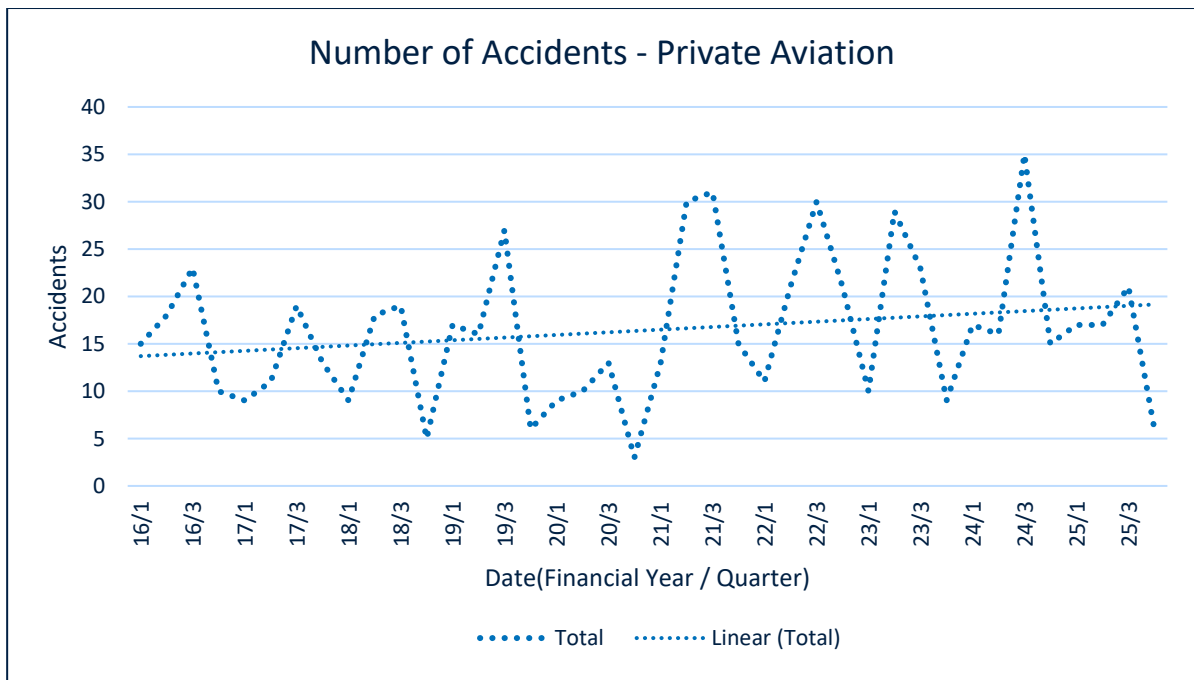
As noted above, in the section on Commercial Non-passenger aviation, changes to reporting requirements in the CA Act 2023 for UAS may see the rate of accidents increase over time.



Adventure aviation includes skydiving and paragliding, including injuries such as dislocation, sprained and broken ankles, legs and knees. Activity is driven by tourism and is yet to recover fully since the COVID-19 pandemic, although it is trending upwards.

Over 2024/25 there were four accidents in this sector. Three were paragliders and one was a tandem parachute, all suffering broken bones, with two being seriously injured.

Two of the paraglider accidents involved line twists/tangles. The other arose from losing balance on launch. The tandem parachute accident occurred on landing when the passenger didn't lift their legs high enough.



Over 2024/25 there were 61 accidents in the private aviation sector, three fatal. The three fatal accidents were a paraglider that flew into terrain, a pilot participating in an aero event who flew into terrain, and a glider pilot who was being towed when the tow rope broke.

Twenty-eight of the accidents involved paragliders, with 24 incurring injuries. One was fatal. Eight accidents occurred due to landing issues, six because of wing collapse, five to wind conditions, two to launch issues and one was due to mental fatigue from flying too long.

Thirteen accidents involved fixed wing aircraft, with one being fatal, and three resulting in injuries to the pilot/passenger. Seven accidents occurred on landing, often due to hard landing or soft ground; three involved issues incurred on take-off; and two were engine failure causing a forced landing.

Ten of the accidents involved hang gliders, with eight incurring injuries. Three were due to rapid loss in height, two due to tight turns, and two to stall in wind conditions causing a drop to the ground.

Three were glider accidents, one fatal. The other two due to issues with landing causing glider damage.

Two were parachute accidents, one with an injury on landing and the other due to connecting with powerlines causing a power cut.

Two were microlight accidents, one from a soft landing causing the microlight to flip, the other due to engine failure.

The remaining three were a helicopter colliding with terrain, a speed wing which nose-dived while being towed behind a quad bike and a gyrocopter which crashed on landing. All three resulted in injuries.

Notes on data collection and analysis

Note 1: Data was extracted 20 August 2025.

Note 2: A 10-year time series has been selected, due to this being a stable period of data collection, with a relevant back series so that a trend may be discerned.

Note 3: Data is subject to revision.

Note 4: Private sector activity volumes (hours flown) have significant data collection gaps, so it is not practical to determine a proper accident rate measure. Because of this, we have presented only a count of accidents.

Disclosure of judgements

Reporting Entity

The Authority was established as a Crown Entity in 1992, operating under the Crown Entities Act 2004. Civil aviation in New Zealand operates in a system established and maintained by the Civil Aviation Act 2023.

It is responsible to the Minister of Transport and governed by a board of between five and seven members.

The performance measures which the Authority uses for reporting are detailed in our Output Classes on page 41 to 65.

Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice.

The Authority is a Tier 1 entity, and the financial statements have been prepared in accordance with PBE Standards.

These financial statements comply with PBE Standards.

Scope of service performance reporting

The Annual Report reports on CAA's regulatory role in a safe and secure aviation system. The Annual Report also provides information on how the Authority has implemented government priorities and is meeting CAA's strategic intentions.

Further information on the CAA *Statement of Intent, Statements of Performance Expectations, Aviation Security Service Strategic Plan – Horizon 2030* and *Regulatory Safety and Security Strategy 2022–27* can be found on aviation.govt.nz.

2024/25 performance information

The Annual Report contains information on the outputs (goods and services) that the Authority is funded to provide, the results we seek for each, and how we'll assess our performance.

Effective delivery of the Authority's outputs contributes to a solid foundation for aviation activity to bolster New Zealand's economic growth.

We're funded to deliver the following five classes of output:

- Output Class 1: Policy and regulatory strategy - this output contributes to leadership and influence and active regulatory stewardship.
- Output Class 2: Outreach - our strategic functions of leadership and influence (how we engage, influence and provide information to the sector), and professional regulatory practice (how we ensure safety and security knowledge is disseminated and understood).
- Output Class 3: Certification and licensing - professional regulatory practice (through

our activities to allow people to enter, exit, and participate in the system), and active regulatory stewardship (through our intelligence-led risk assessments and continuous improvement).

- Output Class 4: Monitoring, inspection and investigation - we carry out active investigations, audits and monitoring activities, and active regulatory stewardship through our intelligence-led risk assessments and continuous improvement.
- Output Class 5: Security service delivery - CAA's screening and security delivery functions are regulatory actions in practice.

Year-to-date information about the achievement of these measures is reported to the Minister at the end of each quarter and published on the Authority website. 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.

Policy and regulatory strategy

Two new measures were added for 2024/25: international engagement and regulatory system design. International engagement is measured through CAA's engagement with ICAO and the work to provide support to Pacific Island States. Regulatory system measures the rule changes for advanced aviation and aerospace technologies – a growth area of the aviation sector. CAA developed a new CAR, Part 107, to enable rapid iterative research and development of emerging aviation technologies.

It also refreshed Parts 101 and Part 102, to move lower risk and complexity operations from Part 102 (under which participants need a certificate) to Part 101 (under which they do not). This aims to reduce unnecessary regulatory burdens for lower risk Unmanned Aircraft Systems (UAS).

Outreach

One full new measure was added for 2024/25 – the rating of the public aviation safety dashboard, and one measure – building safety through awareness – had new deliverables added. The public aviation safety dashboard is accessible on the Authority website, and we measure the user ratings of the dashboard. The new measure of how we are building safety through awareness is by measuring the number of safety education products distributed, the number of Vector magazines published and the number of targeted safety campaigns to address specific areas of concern.

Certification and licensing

Improving certification timeliness has been a focus of 2024/25 and is showing incremental improvements. One full new measure has been created for 2024/25, measuring the quality and timeliness standard of the issuing of certificates or licenses. The data used to report against these measures is being refined. Categorisation of the data has been applied since May 2025 allowing reporting to be broken down by certificate type and complexity of the

application. The refinement of the data is enabling a greater understanding and identification of the issues.

Monitoring, inspection and investigation

One full new measure has been created for 2024/25, measuring our activity to influence aviation safety and security through monitoring, inspection and investigation activities. We have measured:

- Planned oversight activity (monitoring and inspection) compared to activity conducted.
- Oversight activities (monitoring and inspections) meet the objectives of the oversight programme.
- Intelligence reports assessed for inclusion in the programme of oversight activities.

We are reporting one measure in this output class that has not been achieved. The number of investigations independently assessed by a third party to ensure they're completed within 12 months, and the recommendations made comply with our regulatory model was narrowly not achieved. Two intelligence reports out of 59 could not be assessed in the last quarter of the financial year, due to resource constraints. They will be assessed early in 2025/26.

Security service delivery

In recognition of the focus on the efficiency of aviation security screening at airports, three full new measures were created for 2024/25. We have measured:

- Matching passenger facilitation demand with screening capacity - Time periods where screening capacity was insufficient to meet passenger demand (95% of lane capacity exceeded).
- Using comprehensive queue management system to match passenger facilitation demand with screening capacity - Time periods where average wait time exceeds 10 minutes.
- Deploying screening capacity efficiently - Time periods where a screening lane was open but not required.

We have also measured our performance against three existing measures looking at the number of complaints received, the standard of security monitoring in restricted areas and the number of non-passenger screening assessments carried out. A comparison against performance in previous years on the measures of complaints received and the standard of security monitoring in restricted areas is shown.

Cost allocation policy

A number of cost-based measures in our statements of performance section demonstrate the cost-effectiveness of our activities. The individual costs and revenue associated with each of the five output classes is stated. The costs and revenue, when totalled balance to the totals in the Statement of Comprehensive Revenue and Expenses.

CAA has agreed a plan with the Minister and the Ministry of Transport to move towards fiscal sustainability.

Comparative information is reported in the financials as a routine and compulsory practice. This includes the main financial statements, all notes, and any supplementary information. Comparative information is provided in performance reporting for each output class unless it is a new measure or an activity that was not previously measured.

Performance measure footnotes or additional information

The Authority includes footnotes or additional information for some performance measures.

These further explain how the performance measure is calculated or give reasons where there is a significant variance to target.

Statement of responsibility

Pursuant to the Crown Entities Act 2004, the Authority accepts responsibility for:

- preparing the financial statements and the statements of performance and for the judgements used therein.
- establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.
- providing any end of year performance under section 19A of the Public Finance Act 1989.

In the opinion of the Authority, the financial statements and statements of performance fairly reflect the financial position and operations of the Civil Aviation Authority for the year ended 30 June 2025.

Signed on behalf of the Board:



Mark Darrow Chair of the Civil Aviation Authority of New Zealand

31 October 2025



Darin Cusack Board member of the Civil Aviation Authority of New Zealand

31 October 2025

Output Class 1: Policy and Regulatory Strategy

This output contributes to leadership and influence and active regulatory stewardship.

Why this is important

Continuous improvement is a foundation for the civil aviation regulatory system to be able to manage changing safety and security issues. To achieve this, we take an active role in regulatory stewardship.

What we want to achieve

We aim to provide excellent regulation for the civil aviation system in New Zealand, as well as supporting the Minister of Transport and other parts of Government to make informed decisions on issues in the civil aviation system.

How we deliver this output

Our main activities are:

- coordinating strategic engagement in the international aviation system⁸.
- administering New Zealand's civil aviation obligations and interests.
- delivering ministerial services – e.g. providing answers to parliamentary questions, briefings, responses to letters to the Minister from the public.
- identifying emerging aviation issues and developing options and solutions to manage them.
- delivering policy and regulatory projects.

⁸ CAA's international strategy is not a singular document, but rather multiple forms of CAA strategic and operational engagement with other countries and international aviation-focused organisations.

How we measured our performance

Performance Measure	Previous year's performance	2024/25 Target	2024/25 Actual
1.1 International engagement			
<ul style="list-style-type: none"> CAA's international activities are consistent with ICAO's global priorities for aviation safety and security⁹ 	New measure	100%	100%
<ul style="list-style-type: none"> We provide regulatory support and assistance to Pacific Island States¹⁰ as agreed with Ministry of Foreign Affairs and Trade (MFAT)¹¹ 	New measure	100%	100%
1.2 Regulatory system design			
<ul style="list-style-type: none"> We develop and maintain rules in accordance with the Minister's agreed programme 	New measure	100%	100%
<ul style="list-style-type: none"> We assess current and emerging issues in the aviation system, and develop appropriate responses 	New measure	100%	100%
<ul style="list-style-type: none"> We support the implementation of the CA Act 2023, including developing guidance and operational policy 	New measure	100%	100%
1.3 Ministerial servicing			
<ul style="list-style-type: none"> Our engagement with the Minister's Office on correspondence, briefings, enquiries, Parliamentary Questions, Ministers' meetings, and other ministerial requests meets the Minister's expectations¹² 	100%	100%	100%

⁹ ICAO has defined its global priorities for aviation safety and security in the following documents: Global Aviation Safety Plan (GASP) (2023-2025 edition) and GAsEP (2017 edition). The Authority will self-assess its international activities against the GASP and GAsEP, provide a percentage measure of the consistency of its activities against these ICAO priorities and retain a copy of this assessment for later verification at audit.

¹⁰ Currently, the Cook Islands, Fiji, Kiribati, Nauru, Niue, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu.

¹¹ CAA self-assesses the regulatory support and assistance it provides to Pacific Island States against the agreement it has with MFAT and retains a copy of this assessment for later verification at audit.

¹² The Ministerial Satisfaction survey, in the Insights section, explains this in more detail.

Cost to deliver Output Class 1

	2025 Actual \$000	2025 Budget \$000	2025 Variance \$000	2024 Actual \$000
Crown funding (Vote Transport: Policy advice)	1,690	1,690	-	1,779
Crown - COVID liquidity	1,465	1,688	(223)	1,244
Ministry of Transport and Ministry of Foreign Affairs and Trade contract revenue (Rules Development and Pacific Security Fund)	2,034	2,128	(94)	1,793
Levies	2,909	3,269	(360)	2,897
Other revenue	-	-	-	-
Revenue	8,098	8,775	(677)	7,713
Expense	(8,493)	(9,211)	718	(7,976)
Net Surplus / (Deficit)	(395)	(436)	41	(263)

Insights

ICAO safety audit

ICAO periodically audits its 193 Member States, including New Zealand, to ensure a safe and integrated international aviation system. ICAO issues results that are converted into an Effective Implementation score. States address findings through Corrective Action Plans.

The audit took place over 8-22 July 2025. CAA led preparations, working closely with MoT and other agencies and stakeholders. Preparation was substantial, requiring answers to 851 Protocol Questions and 171 State Aviation Activity Questionnaire questions which ICAO auditors used to assess New Zealand's safety oversight systems and activities.

ICAO will provide New Zealand with draft findings, which we will have an opportunity to address, before the final audit report and Effective Implementation score is publicly available in early 2026. CAA will then develop plans to address findings.

Implementing the CA Act 2023

The CA Act 2023 is the first major update of our primary legislation in three decades. By April 2025, we delivered all statutory requirements and those activities necessary for a smooth transition to new legislation, including CARs and other key documents, such as Civil Aviation Transport Instruments (CATIs).

We also aligned our operational policies, procedures and work tools and trained staff, ranging from an overview to detailed training for Aviation Security Officers (ASOs) and inspectors.

As part of the CA Act 2023 preparations, we developed a new rule, Part 99, *Drug and Alcohol Management Plans (DAMPs)*. Accompanying this was an advisory circular for DAMP operators and the first CATI, with the requirements for DAMP reporting.

Rule changes for advanced aviation and aerospace technologies

This work focuses on growing and enhancing the space and advanced aviation sector.

CAA developed a new CAR, Part 107, to enable rapid iterative research and development of emerging aviation technologies.

It also refreshed Parts 101 and Part 102, to move lower risk and complexity operations from Part 102 (under which participants need a certificate) to Part 101 (under which they do not). This aims to reduce unnecessary regulatory burdens for lower risk UAS.

On 23 June 2025, CAA published the NRPM for Part 107, and updated Parts 101 and 102, for consultation. Rules must be in force by 31 December 2025

CAA also worked with innovative providers to help them achieve certification. This includes Air New Zealand's Reduced and Zero Emissions Project Team, with their Beta Technologies CX300 Conventional Take off and Landing commercial demonstrator aircraft.

State Safety Programme (SSP) and National Aviation Safety Plan (NASP)

As a condition of the ICAO Safety Audit, in May 2025, we updated New Zealand's SSP which sets out New Zealand's aviation safety-related policy and resources. It also outlines the responsibilities of each relevant State authority involved in maintaining a safe aviation system (such as Airways and TAIC).

Complementing the SSP is the NASP, which outlines the strategic direction for managing safety at a state level. The NASP will be completed in the 2026 calendar year. It will involve significant engagement with stakeholders, including industry participants.

Support for Pacific Islands civil aviation

In 2024/25, we continued to support aviation security infrastructure and regulatory capacity in Pacific Island countries, through an MFAT-funded programme. This programme:

- provides airport security equipment, limited technical training, and maintenance support.
- delivers regulatory oversight and capacity-building support to the Pacific region.

We worked with Pacific States to install screening equipment and improve and enhance their aviation security regulatory and operational oversight, governance, and rule-making. These activities have been supported by further capacity training and regulatory advice.

Meteorology

CAA plays a leadership role in international aviation meteorology. Over the past year, we've:

- led a multi-agency space weather exercise in New Zealand.
- supported aviation warning exercises in Papua New Guinea and Nauru.

- revised two ICAO volcanic hazard documents, enabling safer navigation through low volcanic ash concentrations and preventing disruptions like the 2010 Icelandic eruption.

These efforts strengthen aviation safety and improve meteorological services across the Pacific.

Aviation security

CAA contributed to ICAO's Aviation Security Panel, enhancing compliance with Annex 17, *Aviation Security*, evaluating new security technologies, and strengthening air cargo controls. Key highlights include CAA:

- supporting the update of the Global Aviation Security Plan (GASeP), the second edition, which now includes Human Factors.
- successfully proposing Human Factors be adopted as a Standard in Annex 17.
- signing the Muscat Declaration on Aviation Security and Aviation Cybersecurity.

Ministerial satisfaction survey

In June 2025, CAA surveyed the Minister of Transport's office to assess their satisfaction with the quality of our advice and response to requests. Meeting 100% means that the Minister's responses must consistently meet or exceed a "sometimes" rating across all surveyed areas. This threshold reflects CAA's commitment to reliable, timely, and effective engagement. The Minister reported high overall satisfaction, answering "Often" and "Always" Satisfied (the equivalent of a 4 or 5 out of 5), noting that CAA consistently meets expectations for quality advice and responsiveness to feedback.

The Minister ranked the quality of advice highly for helpfulness, clarity, and professionalism.

Our timeliness standards were identified as an area of improvement, with notes that some advice arrives too close to deadlines to be useful. This will be an area of focus for CAA, to ensure we improve in this respect.

Output Class 2: Outreach

This contributes to our strategic functions of leadership and influence (how we engage, influence and provide information to the sector), and professional regulatory practice (how we ensure safety and security knowledge is disseminated and understood).

Why this is important

Engagement with participants, organisations, and other aviation sector stakeholders is critical for CAA. We need to keep communicating with the sector so we can best understand what is happening in the environment that we regulate.

At the same time, sector participants need to hear safety messages, updates on the environment, and to be aware of their responsibilities to keep the civil aviation system safe.

What we want to achieve

Our aims are for increased understanding and awareness of the roles, responsibilities, and risks of operating in the civil aviation system, by regulated parties, stakeholders and the New Zealand public, so behaviours change, and civil aviation becomes safer.

How we deliver this output

We achieve this through:

- stakeholder communications (e.g. face-to-face visits, publications, online, etc).
- aviation industry/regulatory partner facilitation, engagement, and collaboration.
- risk-based safety and security campaign development and delivery.
- use of our Emerging Aviation Technologies Forum to seek advice about technologies that will or are likely to enter our aviation system in the next ten years and beyond.

How we measured our performance

Performance Measure	Previous year's performance	2024/25 Target	2024/25 Actual
2.1.1 We build safety awareness through			
<ul style="list-style-type: none"> Education courses, workshops or seminars to participants nation-wide 	17 delivered	12 delivered	15 delivered
<ul style="list-style-type: none"> Safety education products distributed¹³ 	New measure	80,000	63,701
<ul style="list-style-type: none"> Vector magazines published <ul style="list-style-type: none"> Print copies distributed Online readership¹⁴ 	New measure	56,000	55,872
<ul style="list-style-type: none"> Public aviation safety dashboard accessible on the Authority website¹⁵ 	New measure	100%	97%
<ul style="list-style-type: none"> Targeted safety campaigns address specific areas of concern or new issues that arise¹⁶. 	New measure	100%	100%
2.2.1 Our education courses, workshops, or seminars are rated by participants as a 3 or higher ¹⁷	100%	85%	92.94%
2.2.2 Public aviation safety dashboard is rated by users as a 3 or higher ¹⁸	New measure	85%	100%
2.2.3 Percentage of emerging technology participants surveyed reporting that the ETP Gateway process has met or exceeded their expectations.	The survey was completed in July 2024, providing insights to enhance engagement between ETU and participants and improve processes. Most respondents considered they had benefited, in terms of communication and help, from having a CAA Project Advisor as part of the gateway process.		

¹³ Good Aviation Practice (GAP) booklets, aviation safety posters, safety education and other products.

¹⁴ Online readership of Vector is calculated using a combination of page views of the 'Latest issue of Vector webpage, downloads of Vector magazine, and views of articles published on Vector Online.

¹⁵ This measure – and EOY target - requires the safety dashboard to always be accessible. CAA did not achieve a 100% rating, as there was a single required outage to update the background data in December 2024.

¹⁶ Safety campaigns are planned, not to meet numerical targets, but to address elevated safety concerns, identified through CAA's data and intelligence. The success of a campaign is assessed based on whether the campaign was executed successfully and contributed to mitigating an identified area of concern.

¹⁷ Based on a post-seminar assessment with a rating scale of 1 to 5 (5 being the top rating).

¹⁸ Over June 2025, CAA ran the survey for the first time and got two responses with an average score of 3.5. While we have met this measure, it is important to bear in mind that it reflects a small number of responses.

Cost to deliver Output Class 2

	2025 Actual \$000	2025 Budget \$000	2025 Variance \$000	2024 Actual \$000
Crown - COVID liquidity	673	850	(177)	579
Levies	1,671	1,693	(22)	1,664
Other revenue	26	25	1	14
Revenue	2,370	2,568	(198)	2,257
Expense	(2,486)	(2,696)	210	(2,334)
Net (Deficit) / Surplus	(116)	(128)	12	(77)

Insights

Wing It: Taking Safety Awareness to New Heights

In response to a rise in paragliding and hang-gliding incidents, including a fatality in February 2025, CAA partnered with the NZ Hang Gliding and Paragliding Association (NZHGPA) to launch this campaign from 9 March to 30 April 2025.

The *Wing It* campaign was intended as a call for pilots to improve their situational awareness and decision-making at every stage: before take-off, during flight, and after landing.

The campaign messaging focused on three key risks:

- **Skill Level:** Understanding where you are in your flying journey (particularly within the first 100 hours).
- **Peer Pressure / Overconfidence:** Knowing when to say no.
- **Environmental Awareness:** Flying to the conditions, terrain and weather.

It used a multi-channel data and digital strategy to reach pilots where they interacted.

I cannot thank you enough for the drive and expertise that has helped guide the safety programme forward to such success – Nick Taber, CEO, NZHGPA

Fly Like a Bird, Think like a Pilot

In November 2022, CAA started working with the sport and recreational aviation sector governed under Part 149, *Aviation Recreation Organisations Certification*. Activities include hang gliding, paragliding, parachuting, recreational aviation, warbirds and aeroclubs.

From 2012 to 2022, the sector suffered 518 serious harm accidents and 45 fatalities. This translated to an estimated social cost of \$384 million, based on MoT's Social Cost formula. The sector accounted for 47% of all aviation-related harm during this period.

Initiatives to improve safety outcomes included:

- sponsoring two Safety Days for the Parachute Industry Association (PIA).
- a national safety campaign, Fly Like a Bird, Think Like a Pilot.

The campaign has been aimed at helping pilots advance their flying career by staying safe in 'the fun zone,' depicting common activities while sharing some clear safety messages. It asked NZHGPA pilots to focus on three key areas that are most related to the incidents that are happening related to: 'My Environment,' 'My Plan' and 'My Self.'

After only five days, NZHGPA achieved their best performing ever stats on [Facebook](#) and has now had over 1.5k video hits on [Instagram](#).

As Nick Taber noted: *"This partnership is a standout example of what can be achieved when highly skilled organisations combine forces. Together, we've created a campaign that not only supports the growth and safety of the free flight community but also serves the long-term goal of reducing incidents and accidents across the sector. The NZHGPA is grateful for the backing of the CAA. It's a true win-win for our pilot, the wider sport of Hang Gliding and Paragliding, and the regulator."*

Survey of safety education effectiveness

In 2025, CAA ran its first survey about our safety education offerings, to understand how effective our campaigns are and plan future offerings.

Research by [Verian](#) provided a focused insight into how participants engage with our educational content, what they value most, and the channels used/preferred.

A sample of 1,130 participants took part in the survey. Pilots were 74% of respondents, followed by aircraft owners (22%), flight instructors (12%), and aircraft engineers (12%). Each of these groups are core safety audiences.

The main themes were divided into:

- product engagement (Vector, Good Aviation Practice (GAP) booklets, etc).
- course and workshop engagement.
- future offerings - what participants are interested in and how they like to receive them.

The responses will inform future products, as there were suggestions for future content.

The top four themes that emerged were: safety, maintenance and engineering, pilot specific information, and incident analysis and reporting. Key findings include:

- eighty-eight percent of stakeholders regularly engage with CAA safety content, with Vector magazine standing out as the most widely used and trusted resource.
- seventy-two percent rated GAPs as very or extremely useful, and 68% gave the same rating to our workshops.
- digital learning is popular, with 81% interested in online courses and 71% in eLearning.
- there is growing demand for flexible, multi-format content, such as downloadable PDFs, mobile-friendly web pages, and short-form videos.

Output Class 3: Certification and Licensing

This relates to professional regulatory practice (through our activities to allow people to enter, exit, and participate in the system), and active regulatory stewardship (through our intelligence-led risk assessments and continuous improvement).

Why this is important

People and organisations operating within the civil aviation system must be appropriately licensed, certified, and aware of their responsibilities as participants in the sector, to ensure the overall safety of the civil aviation system.

What we want to achieve

Through our certification and licensing work, we aim to achieve:

- robust assessment of participants and products as safe and fit to participate in the New Zealand civil aviation system.
- efficient processing of applications, without compromising safety standards.

How we deliver this output

We exercise control over:

- entry, through issuing or amending aviation documents, and approvals of organisations, individuals and products, and
- exit, through the suspension and revocation of documents.

How we measured our performance¹⁹

Performance Measure	Previous year's performance	2024/25 Target	2024/25 Actual
3.1.1 Certificates or licences that we issue (for personnel, organisations, aircraft, and service providers) meet our quality and timeliness standards:			
Certification			
<ul style="list-style-type: none"> Quality meets internal CAA criteria 	New measure	100%	94%
Timeliness of new applications for all certification types – certification for applications processed within²⁰:			
<ul style="list-style-type: none"> 20 working days from receipt of application 	New measure	>50%	39.84%
<ul style="list-style-type: none"> 40 working days from receipt of application 	New measure	>70%	52.19%
<ul style="list-style-type: none"> 120 working days from receipt of application 	New measure	>90%	69.72%
Timeliness of amendments for all certification types – certification for applications processed within²¹:			
<ul style="list-style-type: none"> 20 working days from receipt of application 	New measure	>50%	31.10%
<ul style="list-style-type: none"> 40 working days from receipt of application 	New measure	>70%	50.68%
<ul style="list-style-type: none"> 80 working days from receipt of application 	New measure	>90%	72.67%
Timeliness of new applications for Part 102 applications – certification for applications processed within^{22,23}:			
<ul style="list-style-type: none"> 20 working days from receipt of application 	New measure	>50%	1.15%
<ul style="list-style-type: none"> 40 working days from receipt of application 	New measure	>70%	2.30%
<ul style="list-style-type: none"> 120 working days from receipt of application 	New measure	>90%	4.60%
Timeliness of amendments for Part 102 applications – certification for applications processed within²⁴:			
<ul style="list-style-type: none"> 20 working days from receipt of application 	New measure	>50%	12.50%
<ul style="list-style-type: none"> 40 working days from receipt of application 	New measure	>70%	40.91%
<ul style="list-style-type: none"> 80 working days from receipt of application 	New measure	>90%	71.59%

¹⁹ Note that the data in Output Class 3 was correct at the time of extraction but may have been subsequently adjusted to correct manual errors. This may result in minor changes of less than 1%.

²⁰ The defined day (i.e. 20/40/80/120) is included in the timeliness count.

²¹ The defined day (i.e. 20/40/80/120) is included in the timeliness count.

²² The defined day (i.e. 20/40/80/120) is included in the timeliness count.

²³ Please see the Insights section for information about what we are setting up to improve these results.

²⁴ The defined day (i.e. 20/40/80/120) is included in the timeliness count.

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Performance Measure	Previous year's performance	2024/25 Target	2024/25 Actual
Percentage of Part 102 applicants surveyed who report CAA met or exceeded their expectations for timeliness processing their applications.	New measure	>70%	100%
Licensing			
<ul style="list-style-type: none"> Quality meets internal CAA criteria 	New measure	100%	100%
<ul style="list-style-type: none"> Timeliness - licences for complete applications processed within 10 working days of receipt (excluding printing and shipping time) 	New measure	>90%	100%

Cost to deliver Output Class 3

	2025 Actual \$000	2025 Budget \$000	2025 Variance \$000	2024 Actual \$000
Crown funding (Vote Transport: New Technologies and ADS-B)	1,164	1,171	(7)	1,451
Crown - COVID liquidity	18,215	22,289	(4,074)	16,092
Levies	16,699	16,597	102	16,633
Fees and charges	5,257	4,800	457	5,380
Other revenue	461	434	27	253
Revenue	41,796	45,291	(3,495)	39,809
Expense	(43,836)	(47,540)	3,704	(41,167)
Net (Deficit) / Surplus	(2,040)	(2,249)	209	(1,358)

Insights

Certification timeliness

CAA has not met its certification timeliness targets this year, and we know this has had an impact on sector participants. We take responsibility for these delays: our focus for 2025/26 is delivering improvements in timeliness and consistency.

Advice, Triage and Planning (ATP)

In April 2025, CAA set up a function to put in place new workflows, support inspectors and more efficient planning of work, and improve communication with participants. This will, in addition to new work tools, training and technology, address issues that hold up applications.

This work is at the start of a long-term programme, but changes have started. An example is a project to maximise benefits from installing a new answering/ forwarding phone system, so people contacting CAA can speak directly to the right people quicker.

Other initiatives

These include:

- The Safety Management System (SMS) Maturity Assessment tool, which will:
 - enable inspectors to determine the maturity of an SMS – whether operating (i.e. producing artefacts) and effective (i.e. those artefacts are improving the SMS and therefore, safety performance).
 - facilitate a more consistent approach to assessment.
- **Renewal policy and process development** using intelligence-led and risk-based principles to develop work tools and guidance for assessing renewals, to bed in a more consistent approach. It is due to be completed in the first quarter of the 2025/26 year.

Calculating timeliness

CAA currently calculates timeliness data from when we receive an application, not from when the application is assessed as complete, i.e. including everything that is needed and to the standard needed to assess it. Business processes are being adjusted to allow CAA to measure how long it takes to assess applications once all information has been provided.

Part 102 Timeliness

We are making progress in this area, but we acknowledge we are still not meeting timeliness standards, and that this can be difficult for participants, particularly those new to Part 102. We have, however, made a conscious decision to prioritise renewals and amendments to ensure participants who have been found acceptable to operate do not have to stop working.

The main factors which impact Part 102 certification timeliness are:

- applications from applicants new to the civil aviation system who need extra help with aspects of the application, e.g. having to develop a risk management plan.
- the range of complexity in Part 102, with applications ranging from real estate photography drones to highly complex and innovative technology.
- renewals and amendments being prioritised over initial issue Part 102 applications.
- more applications without an increase in staff, leading to backlogs.
- work to improve the effectiveness and efficiency of CAA's processes being in the early stages.

Addressing Part 102 timeliness

Changes include:

- hiring two new inspectors.
- a batching process where similar applications are assessed together.
- an aircraft type-approval system, where minor changes, such as a like-for-like addition of an aircraft type already being operated, do not have to go through a full assessment.
- an intelligence-led and risk-based approach, in which the manager determines the level of assessment to renew a Part 102 certificate and can renew the certificate after an initial triage, without assigning it to an inspector for a complete 100% reassessment.
- working with industry to improve the quality of applications the team receives.
- applicants with novel/complex projects engaging with ETP in the first instance.

Results of the changes

In the third quarter of 2024/25, the processing of an application went down from 18 months to five-six months. Because of the large backlog already in place when the timeliness measures were set, however, we will be in catch up mode for some time.

Batching continues to see initial issue application wait times trending downwards, with some applicants now waiting as little as four months.

Higher numbers of amendments continue to impact our ability to progress non-batched initial certification applications quickly, so it was pleasing to see timeliness improvements in the May 2025 results for amendments completed within 20 working days.

Quality standards

We met quality targets for issuing licences, but not for certification and licensing in general. While regulatory decisions were correct, there were errors at the post-decision stage, i.e. outlining the decision process and record-keeping.

Note: 'Quality' in this context does not relate to the quality of regulatory decision-making, but rather quality attributes, such as completion and filing documentation. However, this is still an area where we need to work with teams to embed better processes.

We did, however, improve slightly compared to the 2023/24 FY. This represents progress, particularly given that in 2024/25, a range of factors affected focus, including the introduction of Kapua, as well as competing demands from the impacts of organisational changes, the CA Act 2023 and preparations for the ICAO Safety Audit.

Output Class 4: Monitoring, Inspection and Investigation

We carry out active investigations, audits and monitoring activities, and active regulatory stewardship through our intelligence-led risk assessments and continuous improvement.

Why this is important

We take an active role in the civil aviation system, ensuring participants act safely. Monitoring, inspection, and investigation activities ensure that we're confident that risks are being well managed throughout the civil aviation system, and that participants are carrying out their responsibilities, or can solve problems which impact on their ability to do this.

What we want to achieve

We want assurance that the aviation system in New Zealand is safe and secure.

How we deliver this output

Our key work includes:

- monitoring safety and security standards by participants in the civil aviation system, through audits, inspections and investigations under the CA Act 2023, the Health and Safety at Work Act 2015 and the Hazardous Substances and New Organisms Act 1996²⁵.
- assessing safety data and information to identify safety and security risks to inform and influence the management of risk.
- acting in the public interest to enforce relevant legislation to address safety risk.

²⁵ CAA delivered support to the Airspace Integration Trials programme as agreed with the Ministry of Business, Innovation and Employment through the programme's terms of reference: [Airspace integration trials: Terms of Reference – September 2019](#). The programme has now closed as planned.

How we measured our performance

Performance Measure	2023/24 Performance	2024/25 Target	2024/25 Actual
4.1.1 We'll influence aviation safety and security through monitoring, inspection and investigation activities:			
<ul style="list-style-type: none"> Planned oversight activity (monitoring and inspection) compared to activity conducted. 	New measure	80%	63.80%
<ul style="list-style-type: none"> Oversight activities (monitoring and inspections) meet the objectives of the oversight programme 	New measure	100%	100%
<ul style="list-style-type: none"> Intelligence reports assessed for inclusion in the programme of oversight activities 	New measure	100%	96.77% ²⁶
4.1.2 Investigations independently assessed by a third party to ensure they're completed within 12 months, and the recommendations made comply with our regulatory model.	Not achieved ²⁷	100%	100%
4.2.1 Support delivered to the Airspace Integration Trials programme meets the terms of reference agreed with the Ministry of Business, Innovation and Employment (MBIE).	The MBIE-led Airspace Integration Trials Programme closed, as planned, at the end of July 2024. The Programme was fully supported throughout its lifespan		

²⁶ This was narrowly not achieved, as two intelligence reports out of 59 could not be assessed in the last quarter of the financial year, due to resource constraints. They will be assessed early in 2025/26.

²⁷ Reported as not achieved because an independent assessment was not conducted, due to the unavailability of an independent third party. An internal review was conducted. Of the sample reviewed, one record was found not to have complied with the regulatory model due to inadequate documentation of the decision-making process.

Cost to deliver Output Class 4

	2025 Actual \$000	2025 Budget \$000	2025 Variance \$000	2024 Actual \$000
Crown funding (Vote Transport: Health and safety at work and improving safety in the aviation sector)	4,001	4,001	-	4,001
Crown - COVID liquidity	1,436	2,657	(1,221)	792
Levies	10,452	10,589	(137)	10,411
Fees and charges	28	26	2	29
Other revenue	178	167	11	97
Revenue	16,095	17,440	(1,345)	15,330
Expense	(16,881)	(18,307)	1,426	(15,853)
Net (Deficit) / Surplus	(786)	(867)	81	(523)

Insights

Monitoring targets

CAA did not achieve its targets for planned oversight activity (monitoring and inspection) compared to activities conducted. In addition, CAA narrowly did not achieve the measures for intelligence reports being assessed for inclusion in the programme of oversight activities. The main reasons were the need to redeploy staff to support certification work and prepare for the ICAO Safety Audit. Other factors include inspectors being diverted to help with investigations.

In the medium term, this will not have a negative impact on safety. CAA will continue to monitor at other points where participants interact with us. The main opportunity to do this is when assessing applications for renewals, which involve an applicant's history.

Longer term, this function will benefit from improvements developed by the ATP discussed in the section on Output Class 3. In addition, as the new triage and intelligence function matures, it will create more targeted intelligence to help monitoring teams prioritise resources towards areas of higher risk.

A new approach to triaging

In late November 2024, CAA stood up a new triage capability. Before this, triage decisions only supported the work of the investigations unit. This had the effect of confining possible response to one tool – investigation – without fully considering alternative options.

CAA has developed a new triage process which uses risk-based decision-making to prioritise resource, with subject matter experts helping to decide an appropriate response. The process now considers the whole range of tools, not just investigation.

These changes help ensure effort is focused on the right cases, the right people are involved, and response is appropriate. Furthermore, even when action is not taken on lower priority occurrences, they are logged for analysis to understand trends.

A new approach to investigation

In tandem with changes to triage, CAA has also reviewed investigations.

While TAIC, not CAA, is New Zealand's independent safety investigator under ICAO Annex 13, *Aircraft Accident and Incident Investigation*, CAA does have a (more limited) role. CAA investigates some accidents and occurrences, to ensure the sector is adhering to aviation regulations.

We also aim to gather unbiased, comprehensive facts to inform decisions on the best interventions to improve the aviation system. We look to understand why something happened, so we can make safe and informed decisions about what, if any, action needs to be taken to address similar situations in future.

Final decisions on what action to take are made in accordance with Just Culture principles. These are outlined on our website, under [Just Culture - what it means to CAA](#).

The shifts in our approach ensure:

- urgent safety matters are identified and addressed.
- important safety messages are not delayed by unnecessary processes.
- resources are focused on the right things, e.g. accidents that cause harm.
- investigations are timely, objective, and impartial, and follow a fair process.
- we can improve the quality and accuracy of our analytics.
- we develop intelligence to drive better safety outcomes and ensure only the highest priority occurrences result in an investigation.

Once they have bedded in this new approach in CAA, the team will engage with industry to explain the new methods and expected benefits.

Changes to CAA005s (occurrence reports)

We have started sharing information from our occurrence reports (commonly known as CA005s, based on the form number) through our public dashboards. Anyone can search for activities based on aircraft category, sector, and activity description. Data can be filtered by time period, location, type of occurrence, type of aircraft, and other relevant factors.

The next steps toward embedding this approach include:

- providing more analysis of occurrences and sector trends.
- developing shared expectations with industry around participant-led investigations.
- communicating better with submitters around how information is used.
- promoting a new on-the-job training model for CAA inspectors.

Just Culture principles

Just Culture is a way of responding to participant errors in a manner that takes into account:

- the participant's intention.
- whether the error was a minor oversight, or indicated more severe issues or risky, reckless or illegal behaviour.

Whether participants reported the problem openly will also influence whether CAA engages with the participants on better practice in future or takes more punitive action.

CAA's responses to incidents also varies, according to severity. Responses could include:

- safety messages on causes and factors that contribute to an accident.
- educating groups of participants about rules and safety standards.
- updating CARs, guidance or educational material.
- improving our regulatory practice.
- taking appropriate enforcement action.

Output Class 5: Security Service Delivery

CAA's screening and security delivery functions are regulatory actions in practice.

Why this is important

We need to sustain trust in New Zealand's aviation security system. Security screening and other activities sustain that trust by identifying threats and managing associated risks at security-designated airports, and elsewhere as required across New Zealand.

What we want to achieve

We're evolving our security approach over time to focus on developing a highly skilled workforce, creating a more intelligence-led, risk-based approach to security activities.

We use good intelligence and risk information to explore new technologies and innovative solutions to improve what we do.

We collaborate with others, at the border and internationally, to sustain confidence through our security outcomes and provide ease of passage for travellers.

How we deliver this output

We achieve this by:

- aviation security screening to keep passengers, crew and other personnel safe.
- providing security capability to strengthen New Zealand's national security.
- law enforcement activities and the border system.
- adopting new security technologies and systems to mitigate evolving threats to aviation.
- and improve efficiencies while enhancing passengers' experience.

How we measured our performance

Performance Measure	Previous year's performance	2024/25 Target	2024/25 Actual
<i>Matching passenger facilitation demand with screening capacity</i> 5.1.1 Time periods where screening capacity was insufficient to meet passenger demand (95% of lane capacity exceeded)	New measure	<5%	6.7% ²⁸
<i>Using comprehensive queue management system to match passenger facilitation demand with screening capacity</i> 5.1.2 Time periods where average wait time exceeds 10 minutes²⁹	New measure	<5%	2.1%
<i>Deploying screening capacity efficiently</i> 5.1.3 Time periods where a screening lane was open but not required³⁰	New measure	<10%	11.4%
5.1.4 Number of complaints³¹ upheld against the Aviation Security Service per 50,000 screened	2022/23: 0.41 2023/24: 0.59	<2 per 50,000 passengers	2024/25: 0.54 Achieved ³²
5.2.1 Security monitoring of restricted areas against regulated standards³³	2021/22: 100% 2022/23: 98% 2023/24: 92%	100% of requirements met	100% of requirements met
5.2.2 Regular non-passenger security risk assessments performed and mitigation actions implemented Annual risk assessment performed Annual risk assessment recommendations implemented	100%	100%	Achieved ³⁴

²⁸ This measure has been met in practice, as explained in the Insights section. It shows number of time periods (as percentage of total) where number of passengers screened exceeded 95% of the operating maximum of the lane. The operating maximum is based on the type of equipment installed on a given lane and assumes an average passenger profile. The passenger counts are sourced from the on-lane screening equipment.

²⁹ Number of passengers (as percentage of total) that passed through the screening point at times when the average waiting time was more than 10 minutes. This data is sourced from queue monitoring systems as provided by airport companies.

³⁰ The number of time periods (as percentage of total) where the number of passengers presenting where insufficient to validate the opening of the lane. The passenger counts are sourced from the on-lane screening equipment.

³¹ In relation to carrying out requirements under CAR Part 140, the number of upheld complaints in relation to carrying out requirements per 50,000 screened passengers. Sourced from CAA's internal workflow systems.

³² The rate by airport is Auckland – 0.41; Wellington – 0.69; Christchurch – 1.04; Queenstown – 0.46; Dunedin - 1.45; Invercargill – 1.75.

³³ AIC checks, non-passenger screening, security patrol.

³⁴ All airports had risk assessment performed in the last six months of the 2024/25 FY.

Cost to deliver Output Class 5

	2025 Actual \$000	2025 Budget \$000	2025 Variance \$000	2024 Actual \$000
Contracted services	-	-	-	-
Passenger security levies	134,276	135,550	(1,274)	131,247
Crown funding - Maritime Port Security	145	145	-	145
Crown - COVID Liquidity	54,541	53,027	1,514	53,289
Other revenue	2,619	4,736	(2,117)	3,520
Revenue	191,581	193,458	(1,877)	188,201
Expense	(197,839)	(199,355)	1,516	(190,229)
Net (Deficit) / Surplus	(6,258)	(5,897)	(361)	(2,028)

Insights

The past year has seen progress on two main fronts in addition to core security functions:

- enabling international flights from Hamilton and Dunedin Airport, and
- improving the timeliness of security screening with smarter use of technology³⁵.

International flights

Hamilton International Airport

CAA has been working with Hamilton Airport to develop a new international departures facility, for a daily flight of up to 232 passengers, with futureproofing for domestic jets. This project involved significant engagement with the airport, airlines and border agencies.

CAA equipped the facility with state-of-the-art screening equipment for both checked and carry-on baggage, ensuring a seamless and efficient passenger experience.

As well as the public-facing part of this work, CAA worked behind the scenes to help Hamilton Airport attain the necessary regulatory approvals to accept international flights.

Another key outcome was supporting Hamilton Airport to clearly identify and define its Airside Security Area and Security-Enhanced Area. These defined areas are critical in supporting the various entities operating at Hamilton Airport, and in implementing the enhanced security measures needed for a secure airport environment.

³⁵ Relates to passenger screening, not non-passenger screening.

Dunedin International Airport

Jetstar started international operations from Dunedin to Brisbane from June 2025. This was smaller scale than Hamilton, so it was possible to staff the new route within existing staffing levels, requiring no additional recruitment, or changes to current operations.

However, current staff needed refresher training in international standards. CAA also worked with agencies at the airport to ensure processes would operate efficiently.

Improving passenger throughput

Using technology to improve passenger throughput has been a focus in the past year.

The first project has been installing new technologies which improve security performance, cut down queue wait-times at airport screening points, and are more cost efficient. One example is Lane Matrix Screening (LMS) which improves the throughput capacity of a single lane by up to 20%, delaying the need to open an additional lane to manage passenger flow efficiently. The LMS rollout began in November, with Wellington (Southern Domestic and International), Auckland and Christchurch (Domestic and International) screening points in operation by April for the Easter holiday peak.

The second was installing passenger sensing technology to measure airport queue wait-times more accurately to cope with fluctuations in volumes. This enables us to reduce excess capacity by closing lanes previously opened as contingencies or for a small number of overflow passengers, allowing us to reallocate more capacity where needed. CAA is working with airports to help them incorporate this as they install new systems.

Passenger wait-times have decreased steadily since October 2024. In Wellington, the percentage of passengers waiting longer than 10 minutes at the Southern Domestic screening point has reduced to less than 2% over the last 12 months.

As a result, a performance measure that was set before the adoption of new technology, measure 5.1.1, *Time periods where screening capacity was insufficient to meet passenger demand (95% of lane capacity exceeded)*, is no longer indicative of capacity limitations.

While this measure has not technically been met, in practice it has been overtaken by better use of technology. CAA can now manage lanes at more than 95% capacity without longer queues. As measure 5.1.2 shows, passenger wait-times of more than 10 minutes are becoming much less common.

Passenger facilitation has also been achieved while increasing efficiency, as LMS also enables the number of security staff to be reduced around fringes of peak periods.

CAA will develop enhanced measures for efficiency and passenger facilitation to incorporate in our SPE for the 2026/27 FY³⁶.

³⁶ Performance is reported at a national level for all security-designated aerodromes.

Combined costs

Cost to deliver Output Classes 1 – 4³⁷

	2025 Actual \$000	2025 Budget \$000	2025 Variance \$000	2024 Actual \$000
Crown funding	28,644	34,346	(5,702)	25,938
Ministry of Transport contract revenue	2,034	2,128	(94)	1,793
Levies	31,731	32,148	(417)	31,605
Fees and charges	5,285	4,826	459	5,409
Other revenue	665	626	39	364
Revenue	68,359	74,074	(5,715)	65,109
Expense	(71,696)	(77,754)	6,058	(67,330)
Net (Deficit) / Surplus	(3,337)	(3,680)	343	(2,221)

Cost to deliver Output Class 5

	2025 Actual \$000	2025 Budget \$000	2025 Variance \$000	2024 Actual \$000
Contracted services	-	-	-	-
Passenger security levies	134,276	135,550	(1,274)	131,247
Crown funding - Maritime Port Security	145	145	-	145
Crown - COVID Liquidity	54,541	53,027	1,514	53,289
Other revenue	2,619	4,736	(2,117)	3,520
Revenue	191,581	193,458	(1,877)	188,201
Expense	(197,839)	(199,355)	1,516	(190,229)
Net (Deficit) / Surplus	(6,258)	(5,897)	(361)	(2,028)

³⁷ The approved appropriation for 2024/25 amounted to \$84,970,000 but the actual drawdown amount is \$76,330,143.

Cost to deliver outputs

	2025 Actual \$000	2025 Budget \$000	2025 Variance \$000	2024 Actual \$000
Policy and regulatory strategy	(8,493)	(9,211)	718	(7,976)
Outreach	(2,486)	(2,696)	210	(2,334)
Certification and licensing	(43,836)	(47,540)	3,704	(41,167)
Surveillance and investigation	(16,881)	(18,307)	1,426	(15,853)
Regulatory Function delivery total	(71,696)	(77,754)	6,058	(67,330)
Security Service delivery	(197,839)	(199,355)	1,516	(190,229)
Security Service delivery total	(197,839)	(199,355)	1,516	(190,229)

Output Classes Financial Commentary

The Output Classes have been prepared on a gross basis, and do not include any inter-entity eliminations. The eliminations, which have been included in the Financial Statements, relate to security card purchases by the Regulatory function from the Security function totalling \$42,000 (2024: \$11,000).

People capacity and capability

We are a highly skilled and professional workforce, continuing to enable our people through engagement, leadership, culture, capability development, and diversity. We focus on:

- investing in capability to deliver on our core regulatory safety and security work.
- identifying longer-term workforce needs, including the systems, practices and structures that align our capability and capacity to do the work we need to do.
- developing leaders who can lead and support their people.

During 2024/25 we:

- integrated AvSec into CAA, so we have a 'one organisation approach' with closer alignment across common functions and activities.
- built on our health, safety and wellbeing culture through active involvement of our people in managing critical health, safety and wellbeing risks.
- ensured we had the capability and capacity to deliver our core regulatory services through implementing our Integrated Capability Project's workstreams, including:
 - leadership capability.
 - how we issue warrants and delegations to staff, i.e., staff who the Director has delegated powers or functions under the CA Act 2023.
 - a common competency framework.

People statistics

Headcount and full-time equivalent (FTE)

Note 1: Headcount is higher than FTE numbers, because it denotes numbers of people employed (whether full-time or not).

Note 2: AvSec frontline headcount and FTE totals include rostered staff based at airports. Load assistants were added to establishment from 1 July 2024.

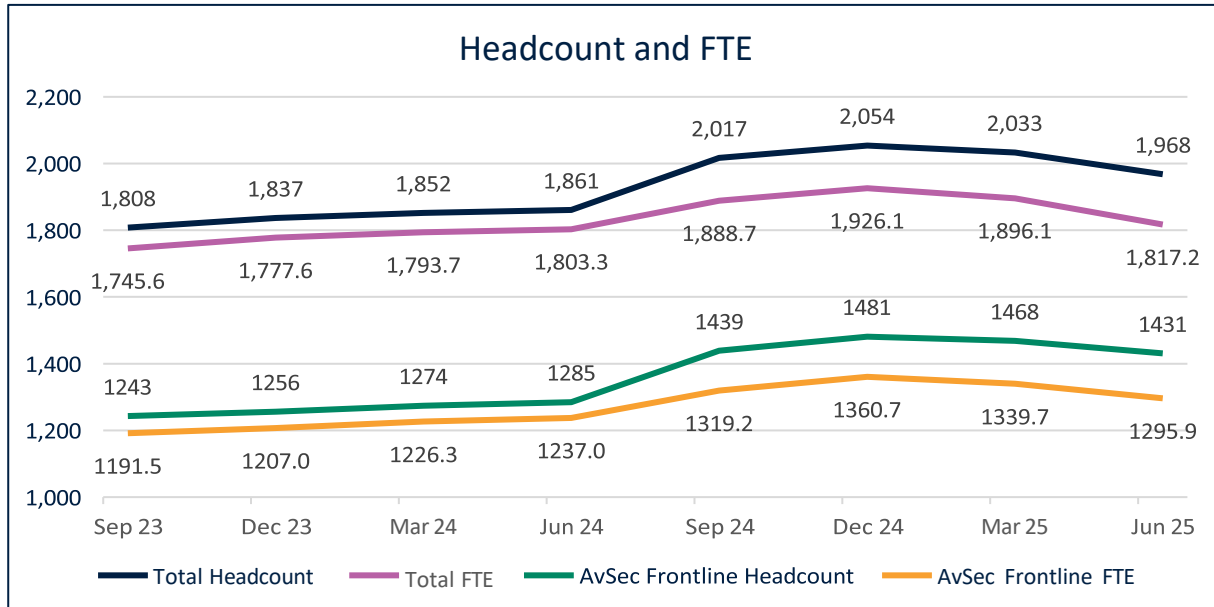
Note 3: The average age of fixed-term and permanent staff is 44.4 years.

Headcount and FTE – Total

	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Headcount	1,808	1,837	1,852	1,861	2,017	2,054	2,033	1,968
FTE	1,745.6	1,777.6	1,793.7	1,803.3	1,888.7	1,926.1	1,896.1	1,817.2

Headcount and FTE – Frontline AvSec positions only

	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Headcount	1,243	1,256	1,274	1,285	1,439	1,481	1,468	1,431
FTE	1,191.5	1,207.0	1,226.3	1,237.0	1,319.2	1,360.7	1,339.7	1,295.9

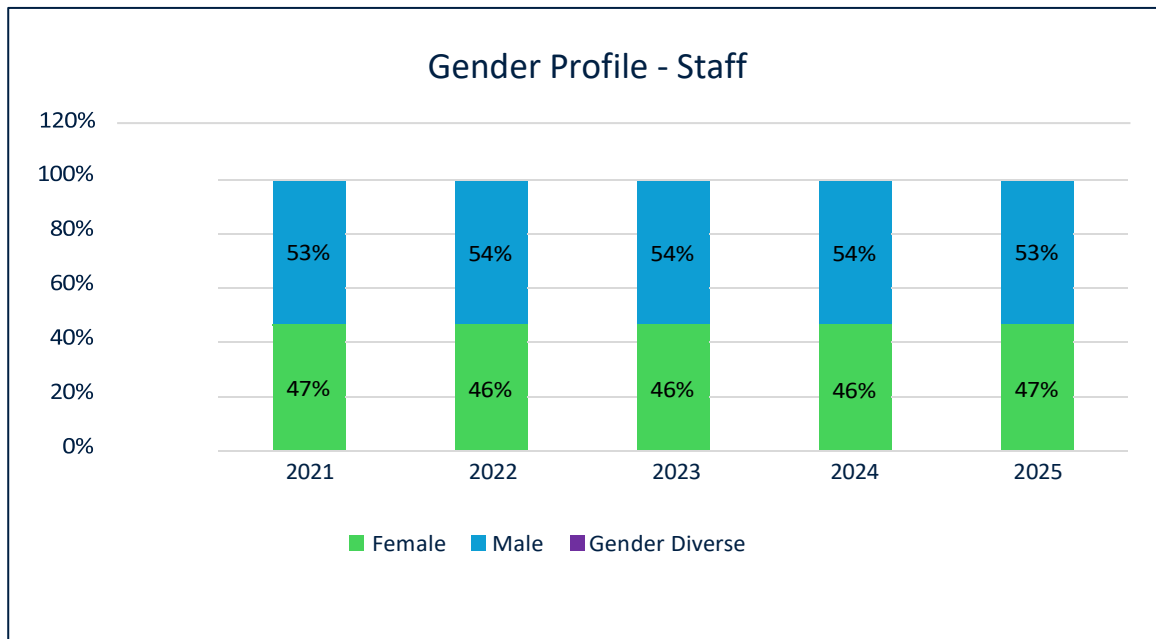
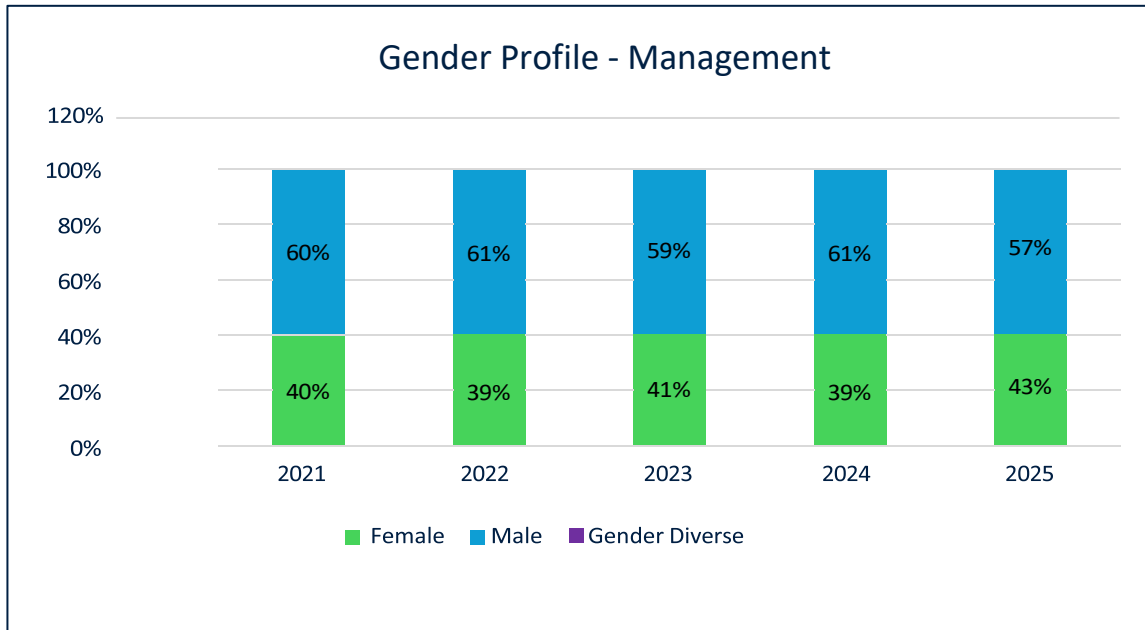


Staff Turnover (Unplanned)

Note: In the next four graphs, we have provided five years of data to align with the timeframe for Select Committee reporting.

	2021	2022	2023	2024	2025
CAA	9.4%	13.7%	14.4%	8.7%	8.9%
Public Service average	10.1%	10.5%	17.3%	15.9%	11.9%

Gender representation

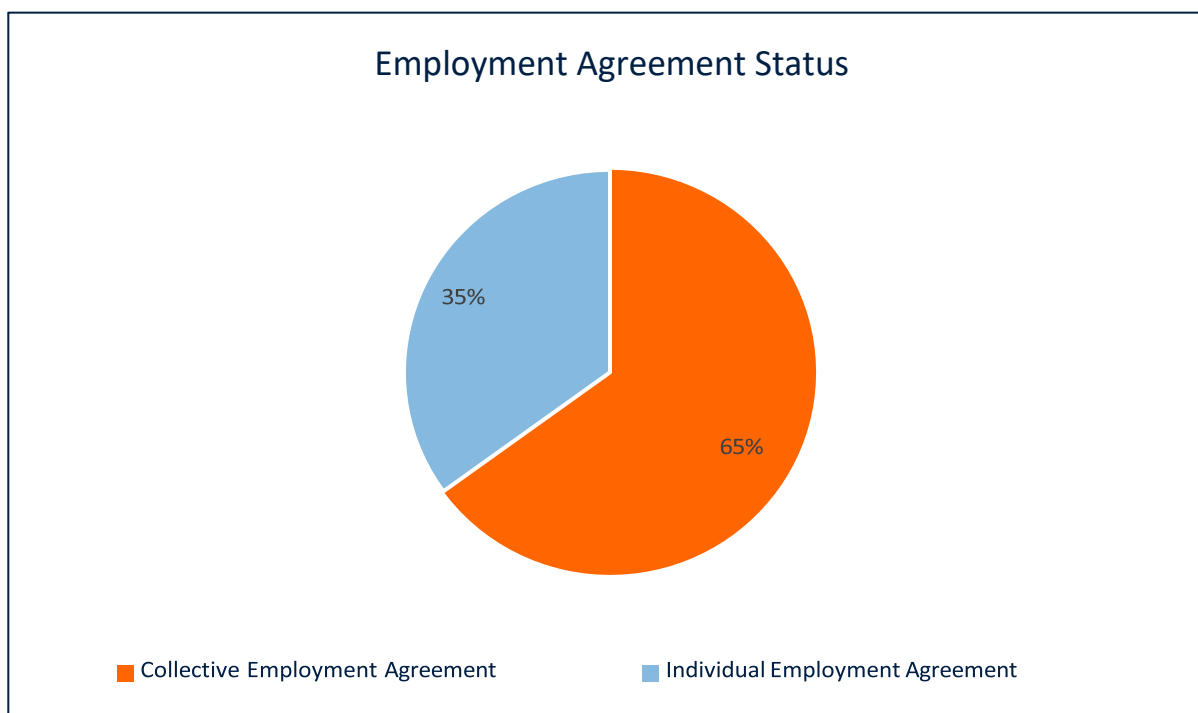


Ethnicity

Note: MELAA stands for Middle Eastern, Latin American, African.

	2021	2022	2023	2024	2025
Not Reported	53.0%	47.0%	38.7%	35.0%	32.2%
NZ European	38.0%	40.0%	38.0%	39.0%	43.0%
Asian	10.0%	12.0%	12.6%	14.9%	16.3%
Pasifika	5.0%	6.0%	5.0%	5.4%	8.3%
Māori	5.0%	5.0%	4.3%	4.1%	7.2%
MELAA			1.4%	1.6%	1.8%

Employment status



Insights

Organisational change programme

In June 2024, CAA started an organisational change programme to support a safe and secure aviation system. Earlier internal reviews of our regulatory capability and structure found that, while CAA had made progress towards becoming an intelligence-led and risk-based regulator, our current systems, practices, and structure did not fully enable this.

We stood up the new structure in early April 2025. The changes ensure CAA is set up to:

- be an efficient and effective aviation regulator, with a focus on value for money.
- ensure aviation safety and security standards are maintained in New Zealand.
- meet expectations from a rapidly changing aviation sector, including advanced aviation.
- enable aviation participants to support economic growth in New Zealand's aviation sector.

Culture assessment

In September 2024, we engaged an external culture specialist to better understand our workplace culture. Her findings aligned closely with feedback from internal engagement surveys and the organisational change programme. They also identified ways to improve our culture, particularly leadership capability.

Employee engagement

In February to March 2025, we ran our annual employee engagement survey to better understand our culture and provide a baseline from which to measure change.

This survey gave our people the chance to give their perspectives, which led to insights about where we are as an organisation, what's going well and where there are opportunities.

Results from the survey were shared across CAA. In summary:

- fifty-seven percent of our workforce participated in the survey.
- CAA's overall employee engagement score was 56%.
- Previous surveys reported 66% in 2023 and 67% in 2024, however results are not directly comparable due to a new survey provider, methodology, and revised question set.

The results align with the issues identified through reviews, our 2024 external culture assessment and previous survey results.

Flexible work

Our Flexible Working Policy has been refreshed to support greater collaboration, efficiency and effectiveness in how we work. This supports shifts in our ways of working. It also aligns with Government expectations around increased workplace presence in the public sector.

Employment and industrial relations

Collective bargaining for two frontline multi-union collective agreements started in April 2025 with the National Union of Public Employees, E tū and the Public Service Association.

This covered approximately 70% of CAA's front-line workforce, ASOs and team leaders. Bargaining ended in June with both agreements ratified on 30 June.

We launched our refreshed *Speak Up* framework, with guidance and support to better address workplace bullying, harassment and discrimination. This aligns with the Public Service Model Standards and simplifies access to information and support.

Core competency framework

We have developed organisation-wide core competencies, which complement the technical competencies required for specialist staff.

Developing capability

Over the year, our turnover has remained low like most of the public sector. When we do have new employees, we have focused our approach to train people as quickly as possible to be able to work in our safety frontline, reducing from around 18 months to 12 months.

In our security frontline workforce, we have continued our Basic Training Course. We implemented a new system to develop screening capability, which has delivered a marked improvement in our ability to train and upskill people in both 2D and 3D screening.

Alongside our support to the Pacific, delivering training across Pacific States in security procedures, standards and requirements, we have also facilitated ICAO workshops and courses, with participants attending from throughout the Asia/ Pacific region.

Leadership

We have developed a Leadership Development Framework to help leaders lift their capability to support and grow our people while providing technical expertise. Our focus has been on building capability in leading and supporting change.

Resources, System and Infrastructure

Infrastructure

The progress in the services and infrastructure at Hamilton and Dunedin International Airports has been covered in the [Insights](#) on Output Class 5.

CAA's work in supporting aviation security services and facilities in the Pacific has been covered in the [Insights](#) on Output Class 1.

Digital system

Kapua

On 25 November, we successfully launched Kapua, CAA's new regulatory business system, an online platform to manage applications.

Kapua replaces ASMS, our previous aviation safety management system. ASMS was developed in the 1990s and was no longer supported, so continuing to use it posed risks to business continuity and information security.

This was a significant project, backed by a \$16 million appropriation approved by Cabinet in May 2021. It was delivered on time, within scope, and on budget.

Since its launch, we have continued to train staff, update processes, enable reporting, and provide technical support. We implemented the technical foundations for an enterprise data platform and enabled analysis and reporting of data.

With Kapua in place, we are focused on unlocking its full potential by developing a work programme to enhance the platform and maximise the return on our investment.

Support for CAA initiatives

Other work was not digital-led but focused on enabling projects led by other teams in CAA, by smarter use of technology. Examples of this included:

- designing and installing new digital services into the NPS mobile hubs.
- setting up modern network services between Auckland and Hamilton to prepare for inter-regional Remote Image Screening.
- collaborating with airports to implement passenger sensing services to collect data that enables better reporting on passenger queues, and subsequently more accurate workforce planning and screening process improvements.

Sustainability

Our approach to sustainability and emissions reduction (2024/25)

New Zealand's commitment to achieving net zero greenhouse gas emissions by 2050 is a critical driver for our work. Key achievements in 2024/25 included:

- publishing the Sustainability Policy to guide decision-making.
- publishing the Sustainability Framework to embed sustainability across the organisation.
- launching an interactive Emissions Dashboard to increase visibility and accountability.

These initiatives are designed to help reduce emissions over time and strengthen a culture of sustainability. We also prioritised emissions data accuracy and reporting.

Toitū carbonreduce certification

This year we achieved Toitū carbonreduce certification for the third year and received positive feedback from the auditors.

Maintaining certification is an annual Carbon Neutral Government Programme requirement.

This is a voluntary climate impact programme that helps us measure, manage, and reduce greenhouse gas emissions.

It is the only certification in New Zealand accredited by JASANZ to international standards (ISO 14064- 1:2018, which provides a framework for organisations to quantify, manage, and report their greenhouse gas emissions and removals at the organisational level).



Carbon Neutral Government Programme (CNGP)

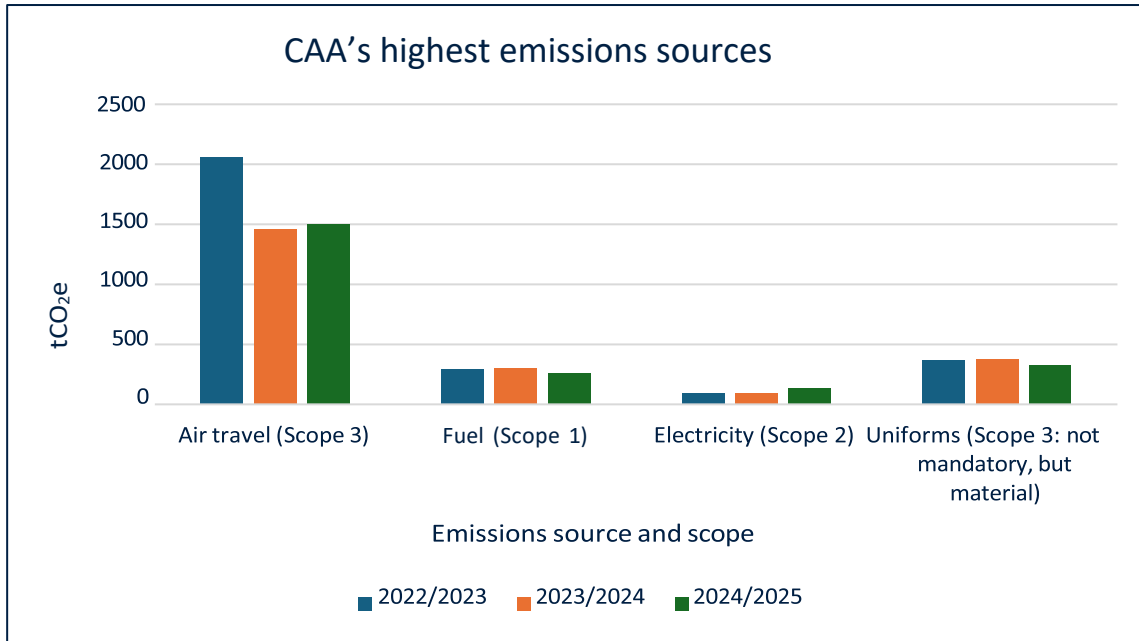
All government agencies participate in the CNGP, to achieve emission reduction targets in line with the Paris Agreement, that are enacted with the Crown Entities Act. We set a science-based gross emissions reduction target of 42% by 2030 and net-zero emissions by 2050, to align with the goal of limiting the global average temperature increase to 1.5°C above pre-industrial levels.

Waste reduction initiatives

We partnered with Auckland Airport company to implement a battery donation programme, diverting nearly 1.6 tonnes of batteries (collected at screening lanes) from landfill each year, and contributing to local community charities.

Emissions reporting

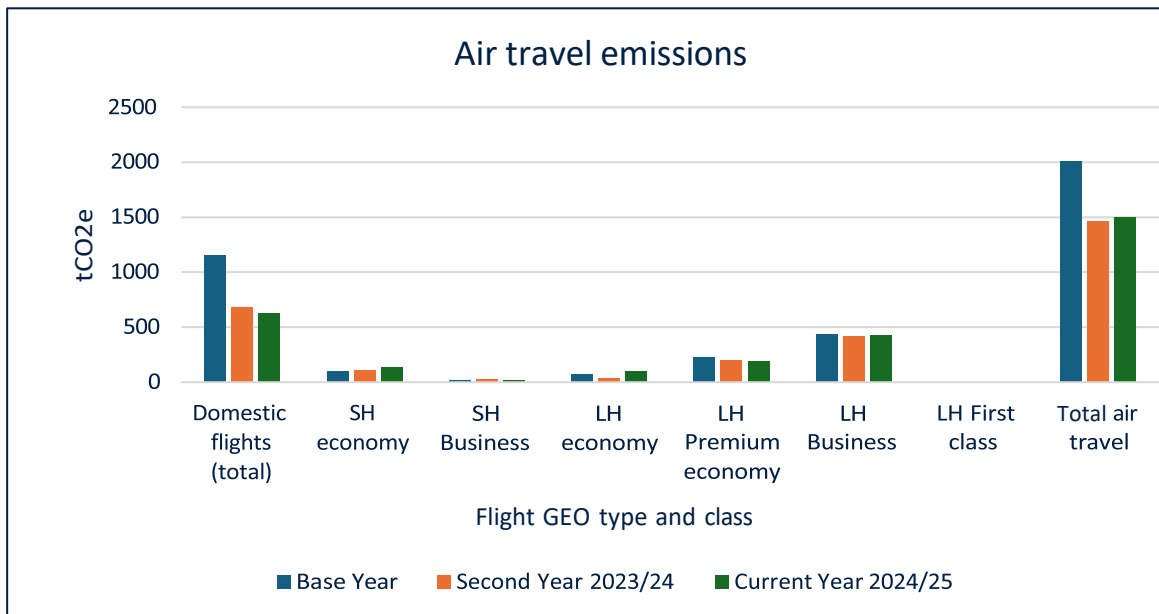
The graph³⁸ below shows our highest emission sources.



Air travel

Total air travel emissions (accounting for more than 65% of our total emissions) increased slightly in 2024/25 compared to last year but are still significantly less than base year. This suggests there is significant opportunity to change travel behaviours, reducing costs and emissions without impacting our operational responsibilities.

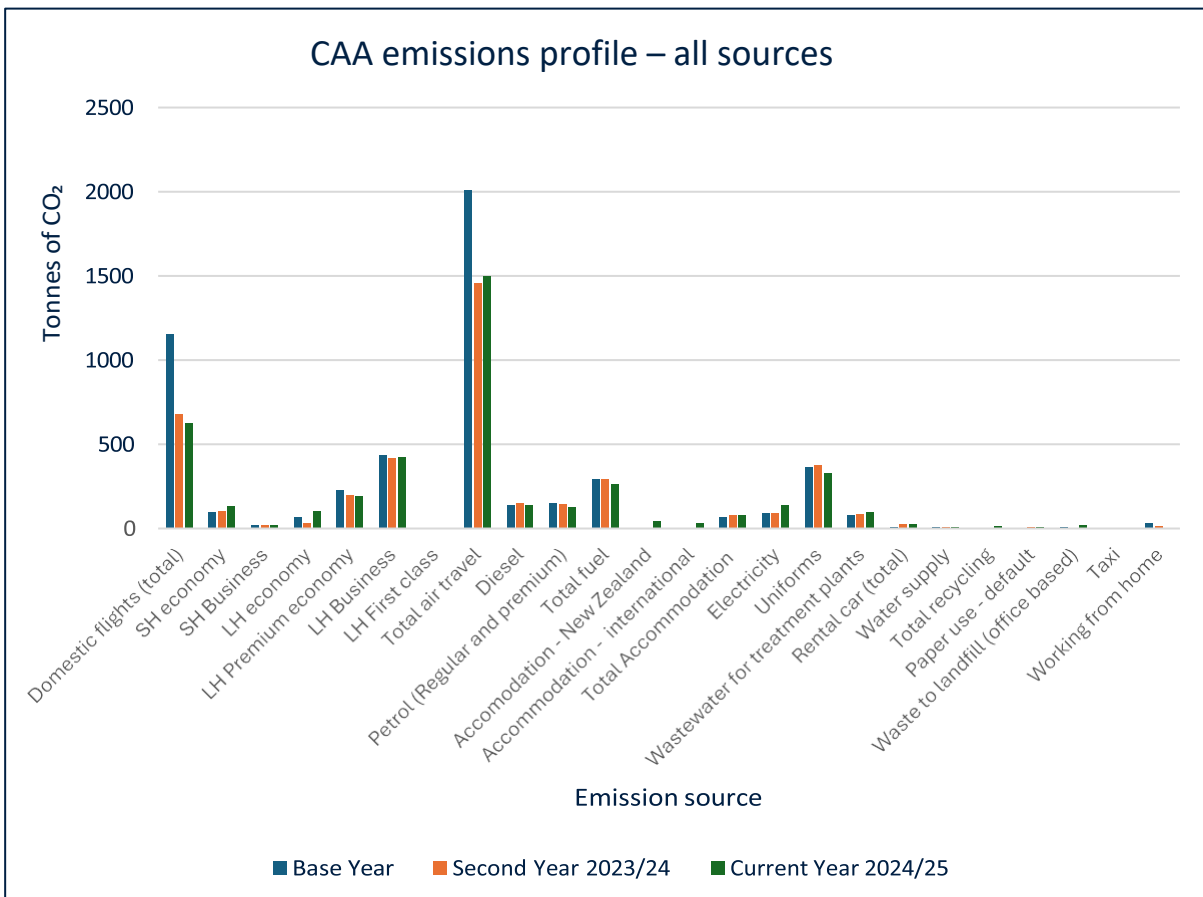
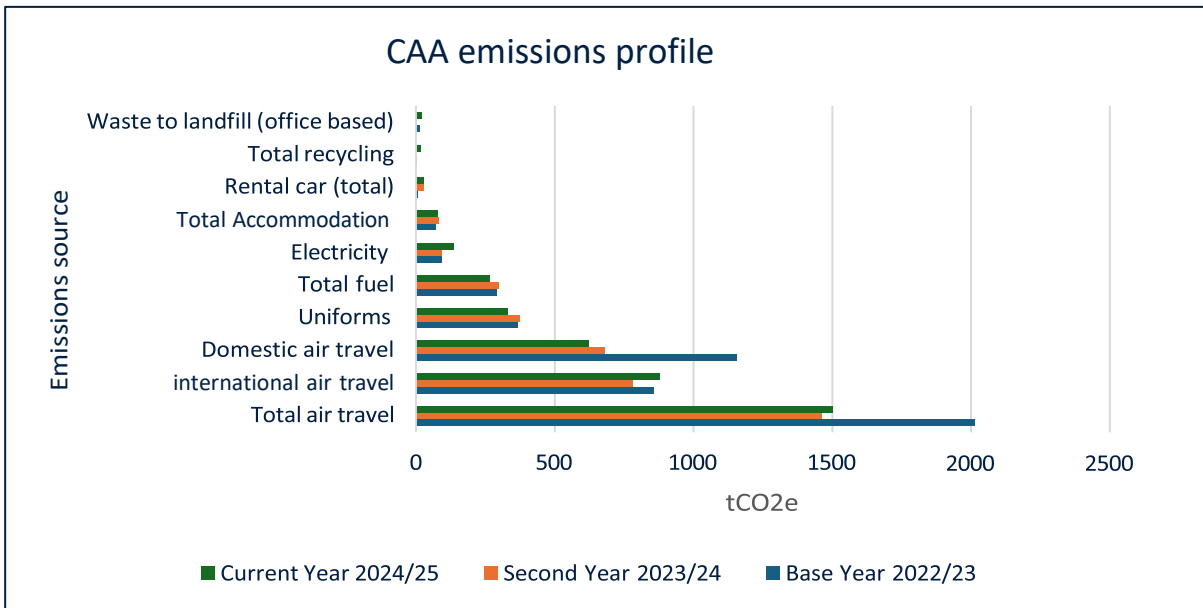
The following graph illustrates domestic air travel, short haul (SH) and long haul (LH) international air travel by class for base year, the 2023/24 FY and the current year.



³⁸ This statement is a requirement of Toitū carbonreduce and CNGP (as in previous Annual Reports).

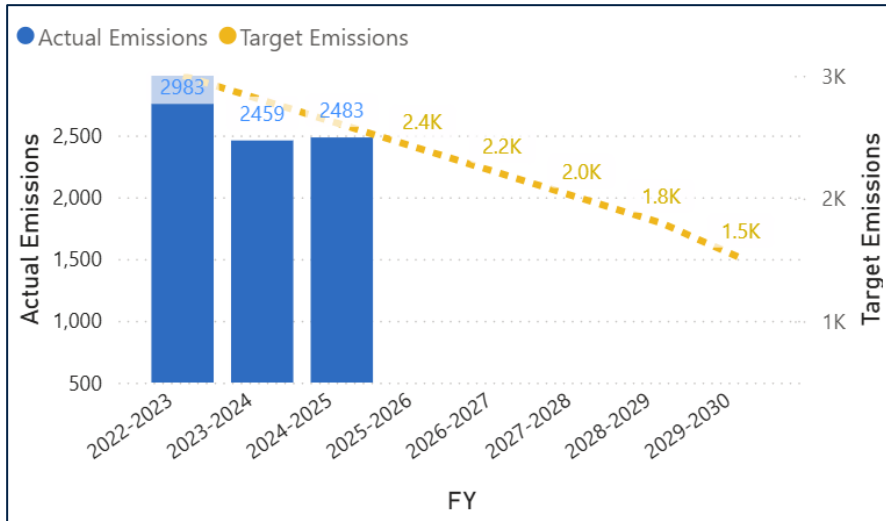
Emissions profile

Our top three emissions sources remain unchanged since reporting began (air travel, fuel, and electricity). Uniform is not mandatory for reporting but is material to our emissions profile.



Trajectory to 42% reduction target by 2030

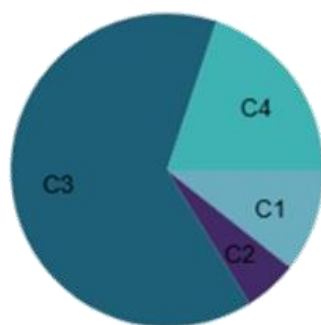
While overall total emissions increased slightly compared to the previous year, they remain below the projected trajectory required to achieve our 42% reduction target by 2030.



Although overall air travel emissions and electricity increased compared to last year, reductions were recorded across eight other emission sources: domestic air travel, short-haul business class, long-haul premium economy, fuel, uniforms, rental cars, accommodation, and taxis.

- Base Year 2022/23 total gross emissions were 2,983 tCO₂e³⁹
- 2023/24 total emissions were 2,459 tCO₂e.
- 2024/25 total emissions were 2,483 tCO₂e.
- 2030 target is to reduce our absolute gross emissions by 42% or 1,252.86 tCO₂e from the base year.

2024/25 total emissions by category



tCO₂e by Category (1 July 2024 to 30 June 2025)
(location-based method)

- C1 Direct emissions and removals (264)
- C2 Indirect emissions from imported energy (137)
- C3 Indirect emissions from transportation (1589)
- C4 Indirect emissions from products used by organisation (494)

Total 2483

³⁹ This figure is changed from 2,511 tCO₂e reported in the 2022/23 Annual Report. This is because the base year total emissions have since been independently audited and a revised total determined.

Report against non-departmental appropriation in Vote Transport

The information below has been expanded from the CAA Annual Report 2023/24.

Performance Measure	Previous year's performance	2024/25 Target	2024/25 Actual
Civil Aviation Authority - Core Functions (M72) (A26)			
Maintain appropriate capability for core functions - appropriate resourcing to meet service level requirements	New measure	Achieved	Partially achieved (see footnote 1)

Footnote:

1. Refer to performance measures for output classes 1-4. Note that the performance metrics in those output classes have largely been met with the exception of certification services.

Performance Measure	Previous year's performance	2024/25 Target	2024/25 Actual
Civil Aviation and Maritime Security Services (M72) (A26)			
People have confidence in the safety and security of air transport in New Zealand airspace as shown by improvements demonstrated in a confidence survey (survey conducted biennially)	Not measured (see footnote 1)	Maintained	Maintained
Percentage of resident travellers that felt extremely or very safe and secure (2022 result - 72%)	Not measured (see footnote 1)	75% or higher	80%
Percentage of overseas travellers that felt extremely or very safe and secure (2022 result - 86%)	Not measured (see footnote 1)	92% or higher	89%
We will ensure New Zealand's obligations as a signatory State to the Chicago convention are met, where appropriate for New Zealand, through:			
<ul style="list-style-type: none"> Maintained alignment with existing Standards and Recommended Practices (SARPs) 	Maintained	No longer measured (see footnote 2)	Not measured (see footnote 2)
<ul style="list-style-type: none"> "Filling of Differences" completed within required timeframes for new SARPS that are the responsibility of the Civil Aviation Authority 	Maintained	No longer measured (see footnote 2)	Not measured (see footnote 2)

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The Authority's international strategy is consistent with ICAO's global priorities for aviation safety and security	New measure	100%	100% (see footnote 3)
Our activities to influence ICAO are consistent with the goals of the Authority's international strategy	New measure	100%	Not measured (see footnote 4)
Reports, correspondence and Parliamentary questions acceptable to the Minister (assessed by biannual survey) based on a scale of "exceeded expectations," "met expectations" or "requires improvement"	Met expectations	No longer measured (see footnote 5)	Not measured (see footnote 5)
Our engagement with the Minister's Office on correspondence, briefings, enquiries, Parliamentary Questions, Ministers' meetings, and other ministerial requests meets the Minister's expectations.	New measure	100%	100% (see footnote 8)
The policy advice we provide to Ministers, government departments and agencies will meet CAA's internal guidelines for quality policy advice	100%	No longer a measure	Not measured (see footnote 8)
We respond to requests for policy advice from government departments and agencies on issues affecting safety and security	New measure	100%	Not measured (see footnote 6)
Support delivered to the Airspace Integration Trials programme as agreed with the Ministry of Business, Innovation and Employment	New measure	100%	Not measured (see footnote 7)

Footnotes:

1. This performance measure is based on a survey that is conducted biennially. The survey was last conducted in 2022, and the results will be reported for the 2022/23 year. No results will be available for 2023/24. For reporting against these measures, please refer to CAA's strategic intention *Our vision and purpose: A safe and secure aviation system – so people are safe, and feel safe, when they fly*, page 29.
2. "Maintained alignment with existing Standards and Recommended Practices (SARPs)" and "Filing of Differences" completed within required timeframes are no longer measures because the activities they measure are too narrow in scope to reflect what is required to meet New Zealand's obligations as a signatory State to the Chicago convention. They have been replaced with new measures that convey the breadth of activities required to maintain alignment (Refer Output Class One, 1.1).
3. Refer to 'Output Class One: Policy and Regulatory Strategy' in page 44.
4. Though not measured in 2024/5, CAA fulfils its role as NZ's designated technical representative to ICAO, and through attendance and participation at various international forums where CAA seeks to influence ICAO standards and practices.
5. "Reports, correspondence and Parliamentary questions acceptable to the Minister" is no longer a measure because it is too narrow in scope to describe the nature of

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servicing provided to the Minister. It has been replaced with a new measure that conveys the wider range of activities involved in providing services to the Minister (Refer Output Class One, 1.3).

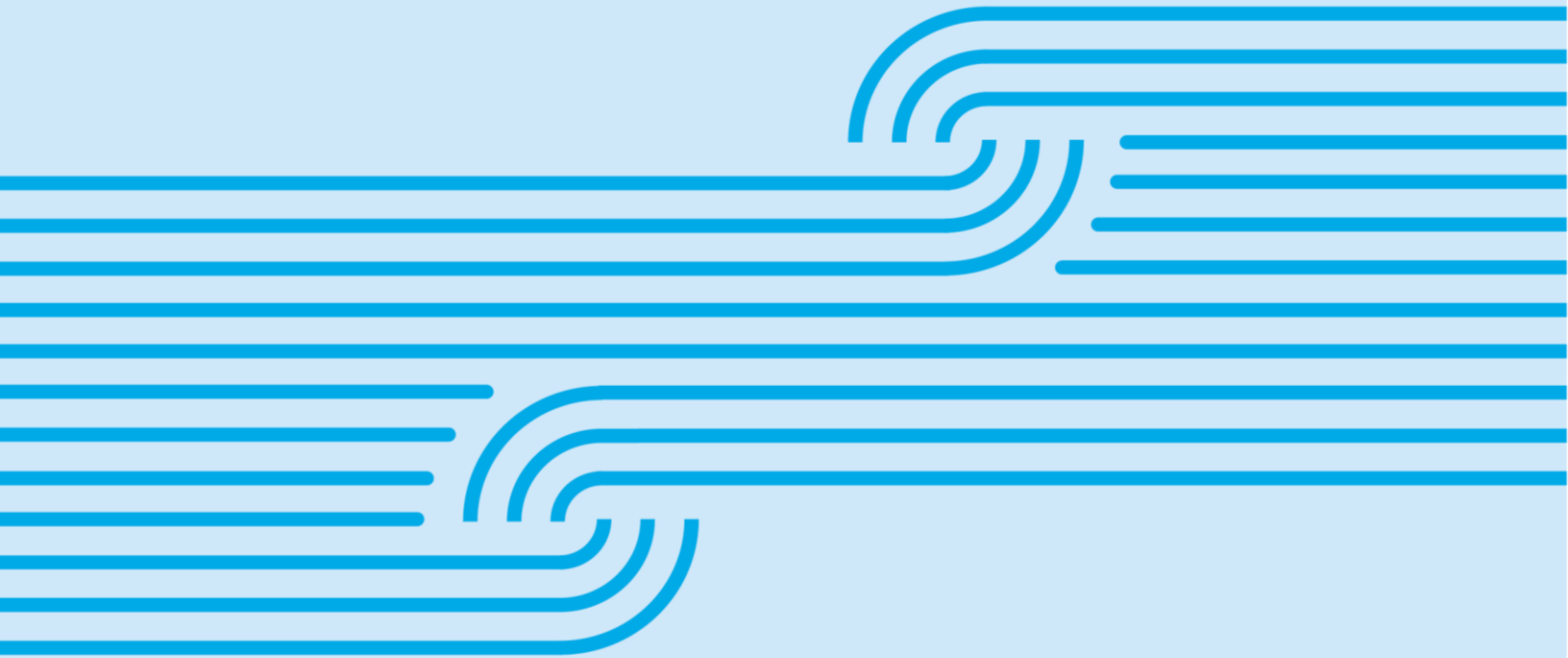
6. Though not measured in 2024/25, CAA continues to respond to requests for policy advice from government departments and agencies on an as-required basis.
7. This measure has been removed as the programme has concluded.
8. Refer to 'Output Class One: Policy and Regulatory Strategy' in page 44.

Performance Measure	Previous year's performance	2024/25 Target	2024/25 Actual
Health and Safety at Work Activities - Civil Aviation (M72) (A26)			
We include aviation-specific Health and Safety guidance in safety and security guidance material published by the Authority (see footnote 1)	8	No longer a measure	No longer a measure
We will complete health and safety assessments, investigations and audits within (see footnote 1):			
180 days	70%	No longer a measure	No longer a measure
12 months	100%	No longer a measure	No longer a measure

Footnote:

1. "We include aviation-specific Health and Safety guidance in safety and security guidance material published by the Authority" and "We will complete health and safety assessments, investigations and audits within 180 days and 12 months" are no longer measures because these aviation-specific health and safety functions have been integrated into the Authority's wider education and monitoring functions. Performance measures covering these education and monitoring functions are published in the Authority's Statement of Performance Expectations.

Financial Statements



Financial statements

Statement of comprehensive revenue and expense

For the Year Ended 30 June 2025	Note	2025 Actual \$000	2025 Budget \$000	2024 Actual \$000
Revenue				
Levies		166,007	167,701	162,852
Revenue from other services		7,127	7,152	7,459
Crown funding revenue		83,330	87,516	79,371
Ministry contract revenue		2,034	2,128	1,793
Interest revenue		1,027	840	996
Other revenue		373	2,188	828
Total revenue	2	259,898	267,525	253,299
Expense				
Personnel costs	3	220,162	220,803	211,524
Depreciation and amortisation expense	10,11	9,653	9,577	6,256
Impairment of intangibles	11	-	-	480
Finance costs	4	(37)	390	180
Other expenses	5	39,715	46,332	39,108
Total expenses		269,493	277,102	257,548
Net (Deficit) / Surplus		(9,595)	(9,577)	(4,249)
Total other comprehensive revenue and expense		-	-	-
Total comprehensive revenue and expense		(9,595)	(9,577)	(4,249)

Explanations of major variances against budget are provided in Note 20.

The accompanying notes form part of these financial statements.

Statement of financial position

As at 30 June 2025	Note	2025 Actual \$000	2025 Budget \$000	2024 Actual \$000
Assets				
Current assets				
Cash and cash equivalents	7	14,842	2,606	17,869
Receivables	8	16,863	16,620	15,368
Services work in progress	9	-	273	320
Prepayments		3,545	3,602	3,502
Total current assets		35,250	23,101	37,059
Non-current assets				
Property, plant and equipment	10	33,834	42,575	35,474
Intangible assets	11	14,779	16,225	13,884
Total non-current assets		48,613	58,800	49,358
Total assets		83,863	81,901	86,417
Liabilities				
Current liabilities				
Creditors and other payables	12	13,892	14,897	18,162
Employee entitlements	13	22,698	20,292	24,904
Provisions	14	2,449	50	352
Total current liabilities		39,039	35,239	43,418
Non-current liabilities				
Employee entitlements	13	7,012	8,084	7,417
Provisions	14	375	375	375
Total non-current liabilities		7,387	8,459	7,792
Total liabilities		46,426	43,698	51,210
Net assets		37,437	38,203	35,207
Equity				
General funds		37,437	38,203	35,207
Total equity	16	37,437	38,203	35,207

Explanations of major variances against budget are provided in Note 20.

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the Year Ended 30 June 2025	Note	2025 Actual \$000	2025 Budget \$000	2024 Actual \$000
Equity				
Opening balance of equity at 1 July				
General funds		35,207	34,585	18,141
Total opening balance of equity at 1 July	16	35,207	34,585	18,141
Comprehensive revenue and expense				
Total comprehensive revenue and expense for the year		(9,595)	(9,577)	(4,249)
Owner transactions				
Capital contributions from the Crown		11,825	13,195	21,315
Total changes in equity during the year	16	2,230	3,618	17,066
Closing balance of equity at 30 June				
General funds		37,437	38,203	35,207
Total closing balance of equity at 30 June	16	37,437	38,203	35,207

Explanations of major variances against budget are provided in Note 20.

The accompanying notes form part of these financial statements.

Statement of cash flows

For the Year Ended 30 June 2025	Note	2025 Actual \$000	2025 Budget \$000	2024 Actual \$000
Cash flows from operating activities				
Receipts from levies		166,169	168,894	163,231
Receipts from other services		5,706	7,345	8,652
Receipts from Crown funding and Ministry contracts		85,364	91,668	81,164
Interest and other sundry revenue received		1,394	1,466	1,755
Payments to employees		(213,196)	(223,574)	(201,091)
Payments to suppliers		(48,990)	(47,122)	(50,930)
Goods and Services Tax (net)		(2,410)	1,198	3,906
Net cash flows from operating activities		(5,963)	(125)	6,687
Cash flows from investing activities				
Sale of property, plant and equipment		17	-	(325)
Purchase of property, plant and equipment		(5,215)	(9,853)	(14,935)
Purchase of intangible assets		(3,693)	(3,342)	(6,725)
Net cash flows from investing activities		(8,891)	(13,195)	(21,985)
Cash flows from financing activities				
Capital contributions from the Crown		11,827	13,195	21,315
Net flows from financing activities		11,827	13,195	21,315
Net increase/(decrease) in cash and cash equivalents		(3,027)	(125)	6,017
Opening cash and cash equivalents at 1 July		17,869	2,731	11,852
Closing cash and cash Equivalents at 30 June	7	14,842	2,606	17,869

Explanations of major variances against budget are provided in Note 20.

The accompanying notes form part of these financial statements.

Reconciliation of Net Surplus / (Deficit) to Net Cash from Operating Activities

For the Year Ended 30 June 2025	2025 Actual \$000	2024 Actual \$000
(Deficit) / surplus	(9,595)	(4,249)
Add/(less) non-cash items:		
Depreciation and amortisation expense	9,653	6,256
Impairment of receivables	8	43
Net (gains)/losses on foreign exchange and derivative financial instruments	-	-
Discount unwind on employee entitlements	(37)	180
Impairment losses - Intangibles	-	480
Total non-cash items	9,624	6,959
Add/(less) items classified as investing or financing activities:		
(Gains) / losses on disposal of property, plant & equipment and intangibles	(17)	325
Total items classified as investing or financing activities	(17)	325
Add/(less) movements in working capital items:		
Receivables (increase)/decrease	(1,503)	1,726
Services work in progress (increase)/decrease	320	(99)
Prepayments (increase)/decrease	(43)	(695)
Creditors & other payables increase/(decrease)	(4,270)	(68)
Employee entitlements increase/(decrease)	(2,576)	2,807
Provisions increase/(decrease)	2,097	(19)
Net movements in working capital items	(5,975)	3,652
Net cash flow from operating activities	(5,963)	6,687

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

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1. Statement of accounting policies

Reporting entity

The Civil Aviation Authority (the Authority)⁴⁰ is Government-owned and was established in New Zealand under the CA Act 1990 as a Crown Entity on 10 August 1992, and since 5 April 2025 under the CA Act 2023, and is domiciled in New Zealand. As a Crown Entity, the Authority is also subject to the provisions of the Crown Entities Act 2004. The Authority has a responsibility to work towards the development and delivery of achieving an integrated, safe, responsive and sustainable civil aviation system.

To fulfil these statutory responsibilities, the Authority comprises the Regulatory Function of the Authority and the separate Security Service.

As the Authority's primary objective is to provide services for social benefit rather than for the purpose of making a financial return, the Authority has designated itself as a public benefit entity (PBE) for financial reporting under New Zealand equivalents to International Public Sector Accounting Standards.

⁴⁰ We have used the term 'the Authority' to mean CAA and AvSec in this section.

These financial statements of the Authority are for the year ended 30 June 2025. The financial statements were approved by the Authority on 31 October 2025.

Section 72B (3B) of the CA Act 1990 stated and Part 2, Subpart 2, section 25 of the CA Act 2023 states that the Authority shall perform its functions in respect of the Aviation Security Service separately from its other functions and shall maintain accounts, records, and reports accordingly.

Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

The COVID-19 pandemic now has a minimal impact on the operations of the Authority after restrictions were lifted in April 2022. Since then, revenue from the passenger and safety levies has returned to pre-pandemic levels as forecast at the end of the 2024/25 year. Note 19 has been included to provide further detail around this, including the basis on which it has been determined to prepare these financial statements on a going concern basis.

Statement of compliance

The financial statements have been prepared in accordance with the requirements of the *Crown Entities Act 2004*, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice. The Authority is a Tier 1 entity, and the financial statements have been prepared in accordance with PBE Standards.

These financial statements comply with PBE Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000).

Standards issued that have become effective

Standards and amendments, which have become effective and which are relevant to the Authority are:

Disclosure of fees for audit firms' services

An amendment to PBE International Public Sector Accounting Standard 1 Presentation of Financial Reports (PBE IPSAS 1) requires entities to disclose the fees incurred for services received from audit or review firms, and a description of each service, using the specified categories. The amendment is effective for the year ending 30 June 2025 with early adoption permitted. This amendment will result in additional disclosures.

Summary of significant accounting policies

Significant accounting policies which materially affect the measurement of financial performance and financial position are included in the notes to which they relate. Those policies that do not relate to a specific note are outlined below:

Foreign currency transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into New Zealand dollars (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the

settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Goods and service tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable it is recognised as part of the related asset or expense.

The net GST receivable or payable at balance date is included in receivables or payables in the Statement of Financial Position as appropriate.

Commitments and contingencies are disclosed exclusive of GST.

The net GST paid, or received, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Income tax

The Authority is a Public Authority in terms of the Income Tax Act 2004 and is consequently exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

Budget figures

The budget figures are derived from the Statement of Performance Expectations as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with New Zealand Generally Accepted Accounting Practice, using accounting policies that are consistent with those adopted by the Board for the preparation of the financial statements.

Cost allocation

The Authority has determined the cost of outputs using the cost allocation system outlined below.

Criteria for direct and indirect costs

Direct costs are those costs directly attributable to an output. Indirect costs are those costs that cannot be identified with a specific output in an economically feasible manner.

Indirect costs for the Regulatory Function, including indirect depreciation, are charged on the basis of full-time equivalent staff members attributable to an output.

Indirect personnel, property, occupancy and certain other indirect costs for the Security Service are charged on the basis of budgeted staff hours attributable to an output.

Depreciation and capital charges are charged on the basis of asset utilisation.

The allocation of indirect costs to activities funded by way of a non-regulated charge will depend on the commercial basis on which the services are priced.

Criteria for apportioning support services costs

The delivery of shared support services for both the Regulatory Function and the Security Service was established from 7 November 2011. The costs arising in each shared services group (Organisational Development and Support, and Performance Monitoring and Assurance) are apportioned to the two operational arms applying an allocation methodology

reflecting the underlying key business drivers. These business drivers are reviewed on a regular basis to ensure that both Regulatory Function and Security Service bear an equitable share of the costs of providing shared services.

Critical accounting estimates and assumptions

In preparing these financial statements, the Authority has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Useful lives and residual values of property, plant, and equipment – refer to Note 10.
- Useful lives of software assets – refer to Note 11.
- Retirement and long service leave – refer to Note 13.

These significant estimates and assumptions are included in the relevant note.

Critical judgements in applying accounting policies

No critical judgements have been applied in the preparation of these financial statements.

2. Revenue

Accounting policy

The specific accounting policies for significant revenue items are explained below:

Revenue from levies and services

Levies

The Authority earns revenue from regulated levies on airlines based on outgoing international passenger volumes and domestic sectors travelled by passengers.

Fees and charges

Revenue derived from the Authority's provision of safety and regulatory services is recognised in the surplus or deficit in the period that the services have been rendered, in proportion to the stage of completion of the transaction at balance date. The stage of completion is assessed by reference to the time spent on the work to date and the estimated time to completion.

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Revenue from levies and services	Actual 2025 \$000		Actual 2024 \$000
Safety levies			
International passenger levies	10,265		9,707
Domestic passenger levies	19,556		20,043
Other levies	1,910		1,855
Total safety levies revenue	31,731		31,605
Security levies			
International passenger levies	88,662		84,533
Domestic passenger levies	45,614		46,714
Total security levies	134,276		131,247
Total levies	166,007		162,852
Revenue from other services			
Aviation regulatory and safety services	5,285		5,409
Other contracted aviation security services	1,842		2,050
Total revenue from other services	7,127		7,459

The CA Act 2023 requires CAA to apply revenue from levies, fees and charges for the purposes for which it was collected (see section [23\(d\)](#) and section [420\(1\)](#)). Cross-subsidisation across other activities should be avoided, as per [legislation guidelines](#).

The various revenue sources have been reviewed to determine whether they are exchange or non-exchange transactions. Exchange transactions are transactions in which one entity receives assets or services and directly gives approximately equal value to another entity in exchange. Revenue from levies does not meet this definition because there is no direct connection between the levy payer and the Authority. However, the Authority has decided that there is no material or practical difference between individual levy payers and payers as a group, and that there are no timing differences in the exchange transaction. The Authority has therefore treated revenue from levies and other services as exchange transactions.

Crown funding and Ministry contract revenue

Revenue provided by the Crown and revenue earned under Ministry contracts is recognised in the surplus or deficit in the period in which the Authority provides the funded programmes.

Crown funding and Ministry contract revenue have been reviewed to determine whether they are exchange or non-exchange transactions. Exchange transactions are transactions in which one entity receives assets or services and directly gives approximately equal value to another entity in exchange. Funding from the Crown is generally considered to be a non-exchange transaction, however the Authority has provided detailed information in the Statements of Performance to describe the use of these funds and considers that an exchange of approximate value has occurred and has therefore treated these funding sources as exchange transactions.

Crown funding revenue

The Authority has been provided with funding from the Crown through Multi-Category Expense and Multi-Year Expense Appropriations and specifically from the Ministry of Transport for the following specific purposes of the Authority as set out in the CA Acts 1990 and 2023. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to government funding (2024: nil).

International relations and International Civil Aviation Organization obligations

The Authority has been provided funding from the Crown to provide technical information and advice in relation to international matters affecting New Zealand aviation, to ensure the Minister's obligations in relation to international civil aviation agreements are met, and to promote the development of New Zealand aviation in the international context.

Ministerial servicing

The Authority has been provided funding from the Crown to provide services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.

Policy advice

The Authority has been provided funding from the Crown to enable it to provide advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to civil aviation.

Improving safety in the aviation sector

The Authority has been provided funding from the Crown which is limited to the investigation, determining compliance, and enforcement of safety in the aviation sector. This is for the purpose of implementing the requirements of the Hazardous Substances and New Organisms Amendment Act 2015 and undertaking activity associated with innovative aviation certification.

Health and safety at work activities - Civil Aviation

The Authority has been provided funding from the Crown for the purpose of implementing the requirements of the Health and Safety at Work Act 2015 ('HSW') within the context of the aviation industry.

The Authority has used the Crown funding provided to:

- conduct HSW investigations, audits and inspections.
- provide advice and education on HSW in the aviation sector.
- fund other activities connected with HSW practice in the aviation industry.

Protection of transport sector agency core functions

The Authority has been provided with a Multi-Year Appropriation from the Crown for the purchase of core services from the Authority that are no longer able to be cost-recovered from third parties as a result of COVID-19. \$76,273,000 of this appropriation was drawn down in 2025. (2024: \$71,995,000).

Maritime port security

The Authority receives funding directly from the Crown, through the Ministry of Transport, that is restricted in use for the purposes of meeting the Authority's maritime security obligations.

Ministry contract revenue

The Authority provides rules development services under contract to the Ministry of Transport and receives funding directly from MFAT's Pacific Security Fund (PSF) as a reimbursement of training and consultancy services provided to agencies and airlines of the South Pacific region.

Ministry contract revenue	Actual 2025 \$000		Actual 2024 \$000
Rules development (Ministry of Transport)	800		800
Pacific Security Fund (Ministry of Foreign Affairs and Trade)	1,234		993
Total Ministry contract revenue	2,034		1,793

Interest Revenue

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

Other Revenue	Actual 2025 \$000		Actual 2024 \$000
Gain/(loss) on sale of property, plant and equipment	19		69
Other revenue	354		759
Total other revenue	373		828

Asset disposals

During the year, the Authority disposed of property, plant and equipment that formed part of the capital replacement programme as determined by the useful life of the asset. The total gain on sale of assets was \$19,000 (2024: \$69,000). Other revenue in 2025 mainly relates to ICAO regulation, flight instructor, dangerous goods and airworthiness courses hosted by the Authority.

3. Personnel costs

Accounting policy

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Defined contribution schemes

Superannuation schemes: Obligations for the Authority's contributions to KiwiSaver, Government Superannuation Fund, and National Provident Fund are accounted for as contributions to a defined-contribution superannuation scheme and are recognised as an expense in the surplus or deficit.

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Personnel costs	Actual 2025 \$000		Actual 2024 \$000
Salaries and wages	208,517		194,324
Employer contributions to defined contribution plans	7,017		6,661
Other personnel expenses	7,240		7,550
Increase/(decrease) in employee entitlements	(2,612)		2,989
Total personnel costs	220,162		211,524
Board Member Remuneration paid or payable to each Board member during the year	Actual 2025 \$000		Actual 2024 \$000
H Duynhoven (appointed May 2019, resigned August 2024)	2		25
J Fredric (Chair - appointed December 2019, resigned July 2024)	4		57
S Haszard (appointed Mar 2021, resigned October 2023)	-		8
J Hatchwell (appointed Jul 2019)	29		33
C Spillane (appointed December 2019)	28		28
A Hong (appointed August 2022, resigned August 2024)	3		26
Mark Darrow (Chair - appointed August 2024)	50		-
Darin Cusack (Deputy Chair - appointed August 2024)	29		-
Louise Pengelly (appointed August 2024)	24		-
Terry Murdoch (appointed August 2024)	18		-
Simon Craddock (appointed August 2024)	24		-
Total Board Member remuneration	211		177

There have been no payments made to committee members appointed by the Board who were not Board members during the financial year. The Authority has affected Directors and Officers Liability and Professional Indemnity insurance cover for the financial year, in respect of any liability or costs it may incur arising from the activities of Board members and employees.

No Board members received compensation or other benefits in relation to cessation (2024: nil).

4. Finance costs

Finance Costs	Actual 2025 \$000		Actual 2024 \$000
Discount unwind on long-term employee entitlements	(37)		180
Total finance costs	(37)		180

5. Other expenses

Other expenses	Actual 2025 \$000		Actual 2024 \$000
Operating lease expenses	9,529		9,920
Building operating expenses	1,939		2,094
Information technology expenses	8,082		7,653
Staff travel	4,366		4,704
Insurance	1,648		1,484
Allowance for credit losses on receivables	8		43
Safety information services	3,567		3,598
Consultancy	2,460		2,598
Consumables and maintenance	5,257		4,121
Loss on disposal of property, plant and equipment & intangibles	2		394
Other expenses	2,857		2,499
Total other expenses	39,715		39,108

Staff travel expense includes all travel related to the Authority's normal business functions. Travel that is incidental to staff training is included within *Other personnel expenses* in Note 3.

Accounting policy

Operating leases

The Authority leases office premises and office equipment. As substantially all the risks and rewards incidental to ownership of the asset are retained by the lessor, these leases are classified as operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Operating leases as lessee

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

Operating Leases	Actual 2025 \$000		Actual 2024 \$000
Not later than one year	6,814		7,463
Later than one year and not later than five years	9,508		7,183
Later than five years	369		552
Total non-cancellable operating leases	16,691		15,198

The Authority leases office premises in Wellington and Auckland. It also leases office premises and car parks, staff facilities and operational space for security screening points at three metropolitan and three regional airports, and training facilities in the Auckland area.

There are no restrictions placed on the Authority by any of its operating leasing arrangements.

6. Audit firms' services

Fees incurred for services provided by the Authority's auditor	Actual 2025 \$000		Actual 2024 \$000
Audit and review of the Authority's financials and annual report.	198		170
Total fees incurred for services provided by the Authority's auditor	198		170

There were no additional assurance services provided by the Authority's auditor. The audit fees are included in Other Expenses in Note 5.

7. Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Cash and Cash Equivalents	Actual 2025 \$000		Actual 2024 \$000
Cash at bank and on hand	14,842		17,869
Total cash and cash equivalents	14,842		17,869

While cash and cash equivalents at 30 June 2025 are subject to the expected credit loss requirements of IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

8. Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The Authority applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

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Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

	Actual 2025 \$000		Actual 2024 \$000
Receivables arising from exchange transactions	16,914		15,408
Other receivables	3		7
Less: Allowance for credit losses	(54)		(47)
Total receivables	16,863		15,368

The expected credit loss rates for receivables at 30 June 2025 and 30 June 2024 are based on the payment profile of revenue on credit over the prior 2 years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the recoverability of receivables. Given the short period of credit risk exposure, the impact of macroeconomic factors is not considered significant.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance. The allowance for credit losses at 30 June 2025 and 30 June 2024 were determined as follows:

	2025			2024		
	Gross carrying amount	Expected credit loss rate	Lifetime expected credit loss	Gross carrying amount	Expected credit loss rate	Lifetime expected credit loss
	\$000	%	\$000	\$000	%	\$000
Not past due	15,186	-	-	14,737	-	-
Past due 1-30 days	1,608	0%	-	296	0%	-
Past due 31-60 days	40	0%	-	185	0%	-
Past due 61-90 days	17	8%	(1)	36	7%	(2)
Past due over 90 days	66	81%	(53)	161	28%	(45)
Total	16,917		(54)	15,415		(47)

The movement in the allowance for credit losses is as follows:

	Actual 2025 \$000		Actual 2024 \$000
Opening allowance for credit losses as at 1 July	(47)		(13)
(Increase)/decrease in loss allowance made during the year	(8)		(47)
Receivables written off during the year	1		13
Balance at 30 June	(54)		(47)

9. Services work in progress

Accounting policy

Services work in progress is measured at the lower of the costs incurred to date for work being undertaken and the net realisable value. The estimated net realisable value is based on the contracted service price.

Any write-down from cost to net realisable value for services work in progress in the provision of services is recognised in the surplus or deficit when the write-down occurs.

	Actual 2025 \$000		Actual 2024 \$000
Services work in progress	-		320
Total services work in progress	-		320

The Authority carries services work in progress that includes costs incurred in the partial completion of certification and audit engagements.

10. Property, plant and equipment

Accounting policy

Property, plant and equipment assets are carried at cost less any accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. The threshold for this cost to be capitalised as an asset is \$2,500. Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are included in the surplus or deficit.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset categories	Remaining life of lease	
Furniture and fittings	10 years	10%
Plant and equipment	4 - 10 years	25% - 10%
Office equipment	5 years	20%
Motor vehicles	4 - 5 years	25% - 20%
Computer equipment	3 - 4 years	33% - 25%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end⁴¹.

Impairment of property, plant and equipment

The Authority does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell, and value in use.

Value in use is the present value of an asset's remaining service potential. It is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset is impaired, its carrying amount is written down to the recoverable amount. The total impairment loss and any subsequent reversals of impairment are recognised in the surplus or deficit.

Critical accounting estimates and assumptions

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the

⁴¹ The range of useful lives for Plant and Equipment has been changed due to fixed asset additions during the current year that were mainly enhancements and had a useful life of 4 years.

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physical condition of the asset, expected period of use of the asset by the Authority, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit and carrying amount of the asset in the statement of financial position. The Authority minimises the risk of this estimation uncertainty by:

- physical inspection of assets.
- asset replacement programmes.
- analysis of previous asset sales.

The Authority has not made significant changes to past assumptions concerning useful lives and residual values.

Movements for each class of property, plant and equipment are as follows:

	Assets under construction \$000	Leasehold Improvements \$000	Furniture & fittings \$000	Plant & equipment \$000	Office equipment \$000	Motor vehicles \$000	Computer equipment \$000	Total \$000
Cost of valuation								
Balance at 1 July 2023	10,316	9,268	905	41,168	568	3,083	2,460	67,768
Additions	15,025	82	-	1	3	150	115	15,376
Transfers from WIP	(18,371)	4,882	178	13,283	-	-	28	-
Disposals	-	(4,897)	(188)	(4,183)	(206)	(188)	(1,533)	(11,195)
Balance at 30 June 2024	6,970	9,335	895	50,268	365	3,045	1,070	71,948
Balance at 1 July 2024	6,970	9,335	895	50,268	365	3,045	1,070	71,948
Additions	5,256	-	-	-	-	-	-	5,256
Transfers from WIP	(9,919)	126	62	8,973	-	682	75	-
Disposals	-	-	(61)	(2,385)	(264)	(102)	(82)	(2,894)
Balance at 30 June 2025	2,307	9,461	896	56,856	101	3,625	1,064	74,310

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	Assets under construction \$000	Leasehold Improvements \$000	Furniture & fittings \$000	Plant & equipment \$000	Office equipment \$000	Motor vehicles \$000	Computer equipment \$000	Total \$000
Accumulated depreciation and impairment losses								
Balance at 1 July 2023	-	(8,008)	(758)	(29,044)	(561)	(1,907)	(2,132)	(42,411)
Depreciation expense	-	(416)	(32)	(4,331)	(3)	(246)	(200)	(5,228)
Eliminate on disposal	-	4,883	175	3,806	206	148	1,540	10,758
Accelerated Depreciation Adjustment	-	-	-	407	-	-	-	407
Balance at 30 June 2024	-	(3,541)	(615)	(29,162)	(358)	(2,005)	(792)	(36,474)
Balance at 1 July 2024	-	(3,541)	(615)	(29,162)	(358)	(2,005)	(792)	(36,474)
Depreciation expense	-	(749)	(42)	(5,721)	(2)	(201)	(140)	(6,855)
Eliminate on disposal	-	-	61	2,383	264	64	81	2,853
Balance at 30 June 2025	-	(4,290)	(596)	(32,500)	(96)	(2,142)	(851)	(40,476)
Carrying amounts								
At 1 July 2023	10,316	1,260	147	12,124	7	1,176	328	25,358
At 30 June 2024	6,970	5,794	280	21,107	7	1,040	278	35,474
At 30 June 2025	2,307	5,171	300	24,355	5	1,483	212	33,834

Restrictions

There are no title restrictions for any of the Authority's property, plant and equipment, nor are any of these assets pledged as security for liabilities or contingent liabilities.

Work in progress

	Leasehold Improvements	Furniture & fittings	Plant & equipment	Office equipment	Motor vehicles	Computer equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cost or valuation							
Balance at 1 July 2023	243	51	10,011	-	-	11	10,316
Assets capitalised	(4,882)	(178)	(13,283)	-	-	(28)	(18,371)
Additions	4,664	129	10,215	-	-	28	15,036
Disposals						(11)	(11)
Balance at 30 June 2024	25	2	6,943	-	-	-	6,970
Balance at 1 July 2024	25	2	6,943	-	-	-	6,970
Assets capitalised	100	(62)	(8,973)	-	(682)	(76)	(9,692)
Additions	(125)	60	4,337	-	682	76	5,029
Disposals							-
Balance at 30 June 2025	-	-	2,307	-	-	-	2,307

The total amount of property, plant and equipment in the course of construction is \$2,306,566 (2024: \$6,969,464).

Capital Commitments

The amount of contractual commitments for the acquisition of property, plant, and equipment at the reporting date is:

	Actual 2025 \$000	Actual 2024 \$000
Plant and equipment	989	2,929
Total capital commitments	989	2,929

The Authority has entered into agreements for the acquisition of screening equipment located at the main airports.

11. Intangible assets

Accounting policy

Software acquisition and development

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are

recognised as an intangible asset. Direct costs include software development, employee costs and an appropriate portion of relevant overheads.

Other software-related costs are recognised as follows:

- staff training costs are recognised as an expense when incurred.
- costs associated with maintaining computer software are expensed when incurred.
- costs associated with development and maintenance of the Authority's website are expensed when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date when the asset is derecognised. The amortisation charge for each financial year is expensed in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible asset have been estimated as follows:

Acquired computer software	3 - 5 years	33% - 20%
Internally developed computer software	3 - 5 years	33% - 20%

Impairment of intangible assets

Refer to the policy for impairment of property, plant, and equipment in Note 10. The same approach applies to the impairment of intangible assets.

Critical accounting estimates and assumptions

Estimating useful lives of software assets

In assessing the useful lives of software assets, a number of factors are considered, including:

- the period of time the software is intended to be in use.
- the effect of technological change on systems and platforms.
- the expected time frame for the development of replacement systems and platforms.

An incorrect estimate of the useful lives of software assets will affect the amortisation expense recognised in the surplus or deficit, and the carrying amount of the software assets in the statement of financial position. Movements for each class of intangible asset are as follows:

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	Acquired software \$000	Acquired software under construction \$000	Internally developed software \$000	Total \$000
Cost				
Balance at 1 July 2023	7,315	7,759	2,116	17,190
Additions	-	6,724	-	6,724
Transfers from WIP	6,012	(6,012)	-	-
Disposals	(1,116)	-	(2,116)	(3,232)
Impairment losses		(480)		(480)
Balance at 30 June 2024	12,211	7,991	-	20,202
Balance at 1 July 2024	12,211	7,991	-	20,202
Additions		3,693	-	3,693
Transfers from WIP	11,634	(11,634)	-	-
Disposals	(345)	-	-	(345)
Impairment losses	-	-	-	-
Balance at 30 June 2025	23,500	50	-	23,550
Accumulated amortisation and impairment losses				
Balance at 1 July 2023	(6,001)	-	(2,116)	(8,117)
Amortisation expense	(1,435)	-	-	(1,435)
Disposals	1,118	-	2,116	3,234
Balance at 30 June 2024	(6,318)	-	-	(6,318)
Balance at 1 July 2024	(6,318)	-	-	(6,318)
Amortisation expense	(2,798)	-	-	(2,798)
Disposals	345	-	-	345
Impairment losses	-	-	-	-
Balance at 30 June 2025	(8,771)	-	-	(8,771)
Carrying amounts				
At 1 July 2023	1,314	7,759	-	9,073
At 30 June 2024	5,893	7,991	-	13,884
At 30 June 2025	14,729	50	-	14,779

Restrictions

There are no title restrictions for any of the Authority's intangible assets, nor are any intangible assets pledged as security for liabilities or contingent liabilities.

Work in progress

The total amount of intangibles during construction is \$50,000 (2024: \$7,991,000).

12. Creditors and other payables

Accounting policy

Short-term payables are recorded at the amount payable

	Actual 2025 \$000		Actual 2024 \$000
Creditors and payables under exchange transactions			
Creditors	7,229		9,284
Income in advance	9		9
Other payables	752		516
Total creditors and payables under exchange transactions	7,990		9,809
Creditors and payables under non-exchange transactions			
Taxes payable (GST, PAYE)	5,902		8,353
Total creditors and payables under non-exchange transactions	5,902		8,353
Total creditors and other payables	13,892		18,162

13. Employee entitlements

Accounting policy

Short-term employee entitlements

Employee entitlements that the Authority expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, vested long service leave, retirement leave and sick leave. Non-vested long service leave and retirement entitlements expected to be settled within 12 months of balance date are also classified as a current liability.

The Authority recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Entitlements that are payable beyond 12 months are calculated on an actuarial basis by independent consulting actuaries. The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave is calculated on an actuarial basis. Annual leave and vested long service leave are classified as a current liability. Non-vested retirement and long service leave expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements, including actuarial calculated sick leave not expected to be settled within 12 months, are classified as a non-current liability.

Critical accounting estimates and assumptions

Measuring retirement and long service leave obligations

The present value of the retirement, long service leave, and sick leave obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability.

In determining the appropriate discount rate, the Authority considered the interest rates on New Zealand Treasury Bills and Government Bonds which have terms to maturity that match, as closely as possible, the estimated future cash outflows.

The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary. Term-specific risk-free rates as at 30 June 2025 ranged from 3.14% p.a. to 5.99% p.a. (2024: ranged from 4.25% p.a. to 5.36% p.a.) and a salary inflation factor of 2.2% p.a. for the year ended 30 June 2025, with a long term salary inflation rate of 2.0% (2024: 3.8% p.a. and 3.1% p.a. respectively) were used.

Actuarial estimate sensitivity analysis

If the discount rate were to be 1% per annum higher/lower than the Authority's estimates, with all other factors held constant, the carrying amount of the liability would be an estimated \$480,000 lower/\$547,000 higher respectively (2024: \$546,000 lower/\$629,000 higher respectively).

If the salary inflation factor was 1% p.a. higher/lower than the Authority's estimates, with all other factors held constant, the carrying amount of the liability would be an estimated \$446,000 higher/\$398,000 lower respectively (2024: \$532,000 higher/\$471,000 lower respectively).

Employee Entitlements	Actual 2025 \$000		Actual 2024 \$000
Current employee entitlements are represented by:			
Accrued salaries and wages	1,599		4,103
Annual leave	18,712		18,232
Current portion of long-term employee entitlements			
Sick leave	278		286
Retiring and long service leave	2,109		2,283
Total current portion	22,698		24,904
Non-current employee entitlements are represented by:			
<i>Long-term employee entitlements</i>			
Retiring and long service leave	6,570		7,003
Sick leave	442		414
Total non-current portion	7,012		7,417
Total employee entitlements	29,712		32,321

14. Provisions

Accounting policy

General

The Authority recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money, and the risks specific to the obligation. An increase in the provision due to the passage of time is recognised as a finance cost (refer Note 4).

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits or service potential to be derived from a contract are lower than the unavoidable cost of meeting the obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Restructuring

A provision for restructuring is recognised when an approved detailed formal plan for the restructuring has either been announced publicly to those affected, or for which implementation has already commenced.

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Lease make-good

A provision for lease make-good costs is recognised when the Authority is required at the expiry of the lease term to make good any damage caused to the premises and to remove any fixtures or fittings installed by the Authority. The Authority has the option to renew these leases, which affects the timing of expected cash outflows to make good the premises.

Provisions	Actual 2025 \$000		Actual 2024 \$000
Current provisions are represented by:			
Onerous contracts	-		-
Restructuring	165		90
Contract termination costs	137		212
Legal and employment proceedings	2,147		50
Total current portion	2,449		352
Non-current provisions are represented by:			
Lease make-good	375		375
Total non-current portion	375		375
Total provisions	2,824		727

Movements for each class of provision are as follows:

	Onerous contracts	Lease make- good	Restructuring	Legal and employment proceedings	Total \$000
	\$000	\$000	\$000	\$000	\$000
2025					
Balance at 1 July 2024	-	375	90	262	727
Additional provisions made/(reversed)	-	-	75	2,022	2,097
Balance at 30 June 2025	-	375	165	2,284	2,824
2024					
Balance at 1 July 2023	-	375	21	350	746
Additional provisions made/(reversed)	-	-	69	(88)	(19)
Balance at 30 June 2024	-	375	90	262	727

Restructuring provision

The Authority has approved a new restructuring plan which was announced in April 2024. The provision represents the estimated cost for redundancy payments as at 30 June 2025.

Leasehold make-good provisions

The Authority has recognised a liability for the cost to make good the office space leased in Wellington upon the expiry of the lease term.

15. Contingencies

Contingent liabilities

Legal actions

The Authority has relied on advice from legal counsel in forming the view that there are no contingent liabilities existing in relation to any legal matters currently in progress (2024: nil) except for the contingent liabilities related to the personal grievances disclosed below.

Personal grievances

At balance date, the Authority had two (2024: three) outstanding personal grievances relating to various employment matters with a maximum exposure of \$105,000 (2024: \$85,000). Contingent liabilities relating to employment matters are assessed by taking into account the merits of each case, known risk factors, and previous payments made in similar matters.

Contingent assets

The Authority has no contingent assets (2024: \$nil).

16. Equity

Accounting policy

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- General funds.
- Passenger security reserve, and other fees and charges reserves.

These reserves relate to the accumulated surpluses/deficits arising from the recovery of costs relating to passenger security activities.

Passenger safety reserves

These reserves relate to the accumulated surpluses/deficits arising from the different funding sources relating to safety and regulatory activities.

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Equity	Actual 2025 \$000		Actual 2024 \$000
General funds			
Opening balance at 1 July	35,207		18,141
(Deficit)/surplus for the year	(9,595)		(4,249)
Transfer (to)/from specific reserves	-		-
Capital contributions from the Crown	11,825		21,315
Closing balance at 30 June	37,437		35,207
Passenger security reserve			
Opening balances at 1 July	-		-
(Deficit)/surplus for the year	(6,258)		(2,028)
Transfer (to)/from Contributed Capital	6,258		2,028
Closing balance at 30 June	-		-
Passenger safety reserve			
Opening balances at 1 July	-		-
(Deficit)/surplus for the year	(3,337)		(2,221)
Transfer (to)/from Contributed Capital	3,337		2,221
Closing balance at 30 June	-		-

Section 165 of the Crown Entities Act 2004 provides the Minister of Finance with discretion to require Crown entities to return annual and accumulated operating surpluses to the Crown, unless exempted in Schedule 1. The Authority is so exempted. However, section 72CA of the Civil Aviation Act 1990 (CA Act 1990) specifically provides that repayment of security service surplus funds to the Crown may be requested by the Minister of Finance at her discretion. A payment of \$4.009 million (including GST) of excess liquidity funding was made to MoT on 28 August 2025.

Capital management

The Authority's capital is its equity, which comprises the Crown's capital contributions, accumulated surplus and other reserves. Equity is represented by net assets.

As a result of COVID-19, the Authority was required to fully utilise its cash and investments to meet operating costs before it could access additional Crown funding. The Authority's specific reserves were therefore exhausted as a consequence of this.

The Authority is subject to the financial management and accountability provisions of the Crown Entities Act 2004, the Public Finance Act 1989, and the CA Act 2023, which impose restrictions in relation to borrowings, the acquisition of securities, the issue of guarantees and indemnities, and the use of derivatives.

The Authority has complied with the financial management requirements of the Crown Entities Act 2004 during the year. The Authority manages its equity by prudently managing revenues, expenses, assets, liabilities, and investments in accordance with its written policies and the requirements of the Acts to ensure that the Authority effectively achieves its objectives and purpose, whilst remaining a going concern.

17. Related Party Transactions and Key Management Personnel

The Authority is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Authority would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Related party transactions required to be disclosed

There were no related party transactions that were conducted on a non-commercial terms basis.

Key management personnel compensation	Actual 2025 \$000		Actual 2024 \$000
Board Members	211		177
Executive Leadership Team and senior employees	5,660		4,905
Total key management personnel compensation	5,871		5,082
Key management personnel full-time equivalent	Actual 2025 \$000		Actual 2024 \$000
Board Members	1		1
Executive Leadership Team and senior employees	14		15
Total key management personnel full-time equivalent	15		16

Key management personnel include Board Members, the Director of Civil Aviation and Executive Team (refer to the section, *Our Organisation*) and also includes other senior employees with the ability to influence decisions.

During the year ended 30 June 2025, five (2024: nil) key management personnel received compensation and other benefits in relation to cessation valued at \$541,000 (2024: nil).

The Authority normally has a seven-member board, appointed for terms of up to three years and it reports to the Minister of Transport, with some areas being reported to the Associate Minister of Transport and the Minister for Space.

The Authority does not provide remuneration or benefits to the Minister of Transport or the Associate Minister of Transport.

18. Financial instruments

18A Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	Actual 2025 \$000		Actual 2024 \$000
Financial assets measured at amortised cost			
Cash and cash equivalents	14,842		17,869
Receivables	16,863		15,368
Total financial assets measured at amortised cost	31,705		33,237
Financial liabilities measured at amortised cost			
Creditors and other payables	7,981		9,800
Total financial liabilities measured at amortised cost	7,981		9,800

18B Financial Instrument Risks

The Authority's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Authority has a set of policies in place to manage the risks associated with financial instruments and it seeks to minimise its exposure to financial instrument risk.

These policies do not allow the Authority to enter into any transactions that are speculative in nature.

There have been no changes from the previous reporting period in either the types of financial instrument held, the type of risk exposure, or the way in which these financial instrument risks are managed.

Market risk

Price risk

Price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rates, foreign exchange rates and other market factors.

Fair value interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Authority is exposed to interest rate risk on its bank deposits that are held at fixed rates of interest. The Authority minimises its exposure to interest rate risk exposure to interest rate risk by investing surplus liquid funds at short-term fixed interest rates and limiting its floating rate deposit balances to daily funding requirements.

As the Authority's short-term deposits are invested at fixed interest rates, any change in interest rates prior to deposit maturity has no impact on net surplus/(deficit). As these financial assets are carried at amortised cost, rather than at fair value, there is no direct

impact on equity from any change in interest rates.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments issued at variable interest rates expose the Authority to cash flow interest rate risk. The Authority's treasury policy requires a spread of investment maturity dates to limit exposure to short-term interest rate movements. The Authority currently has no variable interest rate investments.

Sensitivity analysis

At year end, a movement of one percentage point in interest rates would not materially affect the Authority's surplus and equity as the Authority no longer holds term deposits.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Authority purchases some goods and services from overseas that require it to enter into transactions denominated in foreign currencies. Exposure to currency risk arises as a result of these activities. It is the Authority's policy to manage foreign currency risks arising from contractual commitments and liabilities by entering into foreign exchange forward contract derivatives for major transactions to mitigate the foreign currency risk exposure. The Authority has no designated hedging instruments, foreign currency bank accounts, or foreign currency translation reserves.

Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Authority. The Authority is exposed to credit risk on its balances of cash and cash equivalents, debtors and other receivables, investments in term deposits, and derivative contracts entered into. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

Risk management

The Authority reviews the credit quality of clients and participants before granting credit and continues to monitor and manage receivables based on their activity and expected future conditions and adjusts the expected credit loss allowance accordingly. Levies and charges revenue from domestic and international airlines account for approximately 86% (2024: 85%) of receivables. There are no other significant individual concentrations of credit risk.

The Authority manages its exposure by placing all cash and cash equivalents and derivative contracts with New Zealand registered banks having high quality credit ratings and by managing debtors and other receivables in accordance with the Authority's credit management policy. Surplus funds are invested with registered banks and organisations with a minimum AA- credit rating (Standard and Poor's, or equivalent Fitch or Moody's ratings agencies).

Security

No collateral or other credit enhancements are held for financial assets that give rise to credit risk.

Impairment

Cash and cash equivalents (Note 6), and receivables (Note 7), are subject to the expected credit loss model. The notes for these items provide relevant information on impairment.

Credit risk exposure by credit risk rating grades, excluding receivables

The gross carrying amount of financial assets, excluding receivables, by credit rating is provided below by reference to the credit agency credit ratings.

Cash at bank and term deposits	Actual 2025 \$000		Actual 2024 \$000
Deposits or cash held at AA- institutions	14,842		17,869
<i>Total cash at bank and term deposits</i>	14,842		17,869

All instruments in this table have a loss allowance based on 12-month expected credit losses.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting its payment obligations for commitments as they fall due. The Authority manages its liquidity risk by maintaining sufficient cash deposits in accordance with the levels set under its approved treasury policy.

Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses the present value of contractual undiscounted cash flows for the Authority's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date.

	Carrying amount \$000	Contractual cash flows \$000	Less than 6 months \$000	Between 6 Months & 1 year \$000	Later than 1 year \$000
2025					
Payables (excluding income in advance and taxes payable)	7,981	7,981	7,981	-	-
Total contractual undiscounted cash flows	7,981	7,981	7,981	-	-
2024					
Payables (excluding income in advance and taxes payable)	9,800	9,800	9,800	-	-
Total contractual undiscounted cash flows	9,800	9,800	9,800	-	-

19. Events after the balance date

From 1 July 2025, increases to CAA's levies, fees and charges came into effect. This followed a pricing review, with final decisions taken by cabinet in December 2024. This was the first review of pricing since 2017 and 2019 for CAA and the Aviation Security Service, respectively. The changes re-established a sustainable funding model for CAA and ended the reliance it has had on Crown liquidity funding support since 2020. The support had been required to enable CAA to continue to deliver its core functions, whilst operating as a going concern, despite significant reductions in its levy revenues as a result of the COVID-19 pandemic.

20. Explanation of major variances against budget

Explanations for major variances from the Authority's budgeted figures in the Statement of Performance Expectations are provided in the paragraphs below.

Statement of Comprehensive Revenue and Expense Revenue

Revenue for the year ended 30 June 2025 of \$259.9 million showed an increase in levies of \$3.2 million from 2024 (1.9%) but was below the levies budget of \$167.7 million by \$1.7 million (1.0%). Total revenue was below budget by \$7.6 million (-2.8%), which was mainly due to this passenger increase leading to less liquidity funding being paid. All other revenue streams were close to budget. The significant variances are as follows:

Safety levies revenue

Regulatory Function levy revenue from departing domestic and international passengers and operator safety levies of \$31.7 million was below budget by \$0.4 million. This was mainly due to a slower than budgeted international passenger volume recovery which was modelled in the June 2024 Border Executive Board (BEB) forecast (moderate scenario).

Revenue from passenger security levies

Revenue from passenger security levies of \$134.3 million was below the budget of \$135.6 million (-0.9%) which was also due to a slower than budgeted international passenger volume recovery which was modelled in the June 2024 Border Executive Board (BEB) forecast (moderate scenario).

Crown funding revenue

Crown funding revenue of \$83.3 million was below budget of \$87.5 million (-4.8%) largely due to targeted expenditure savings which resulted in a reduced drawn on the liquidity facility appropriation.

Other revenue

Other revenue of \$373k was below the budget of \$2.2 million mainly due to a reduction in courses offered to participants and other aviation regulation and safety entities due to resources being diverted by CAA's organisational restructure.

Expense

Expenditure for the year ended 30 June 2025 of \$269.5 million was below budget of \$277.1 million (-2.8%). The significant variances are as follows:

Depreciation and amortisation expense

Depreciation and amortisation expense of \$9.7 million is above the budget of \$9.6 million by \$0.1 million (0.8%). This was mainly due to the capitalisation of passenger screening equipment slightly earlier than initially expected.

Personnel costs

Personnel costs of \$220.2 million below the budget of \$220.8 million (-0.3%) primarily due to active vacancy management whilst an organisational restructure was being implemented.

Other expenditure

Other expenditure of \$39.7 million is below the budget of \$46.3 million (-14.3%) mainly due to cost control measures that resulted in lower consulting and travel spend, as well as reduced IT costs from a delayed roll-out of the device-as-a-service (DaaS) project.

Property, plant and equipment

Actual capital expenditure for intangibles, property, plant and equipment of \$8.9 million is below budget of \$12.9 million (-30.9%) mainly due to the project underspends carried forward from FY24 (on the EMPIC project) and project delays stemming from lack of airport readiness. Capital projects remain within approved multi-year budgets.

Additional Financial Information

Statement of comprehensive revenue and expense

For the year ended 30 June 2025.

The following additional financial information provides segmental reporting that discloses the two industry segments operated within the Authority. These relate to the operations of the Regulatory Function and the Security Service.

Authority		CAA		AvSec		Elimination		Authority	
2024 Actual \$000		2025 Actual \$000	2025 Budget \$000	2025 Actual \$000	2025 Budget \$000	2025 Actual \$000	2025 Budget \$000	2025 Actual \$000	2025 Budget \$000
Revenue									
162,852	Levies	31,731	32,151	134,276	135,550	-	-	166,007	167,701
7,459	Revenue from other services	5,285	5,211	1,871	1,948	(29)	(7)	7,127	7,152
79,371	Crown funding revenue	28,644	34,344	54,686	53,172	-	-	83,330	87,516
1,793	Ministry contract revenue	2,034	2,128	-	-	-	-	2,034	2,128
996	Interest revenue	368	-	659	840	-	-	1,027	840
828	Other revenue	297	240	89	1,948	(13)	-	373	2,188
253,299	Total revenue	68,359	74,074	191,581	193,458	(42)	(7)	259,898	267,525
Expense									
211,524	Personnel costs	67,950	68,576	152,212	152,227	-	-	220,162	220,803
480	Impairment of intangibles	-	-	-	-	-	-	-	-
6,256	Depreciation and amortisation expense	3,395	3,680	6,258	5,897	-	-	9,653	9,577
180	Finance costs	6	-	(43)	390	-	-	(37)	390
39,108	Other expenses	345	5,498	39,412	40,841	(42)	(7)	39,715	46,332
257,548	Total expenses	71,696	77,754	197,839	199,355	(42)	(7)	269,493	277,102
(4,249)	Net (Deficit) / Surplus	(3,337)	(3,680)	(6,258)	(5,897)	-	-	(9,595)	(9,577)
(4,249)	Total comprehensive revenue and expense	(3,337)	(3,680)	(6,258)	(5,897)	-	-	(9,595)	(9,577)

Statement of financial position

For the year ended 30 June 2025

Group		Regulatory Function		Security Service		Elimination		Group	
2024 Actual \$000		2025 Actual \$000	2025 Budget \$000	2025 Actual \$000	2025 Budget \$000	2025 Actual \$000	2025 Budget \$000	2025 Actual \$000	2025 Budget \$000
Current Assets									
17,869	Cash and cash equivalents	7,965	541	6,877	2,065	-	-	14,842	2,606
15,368	Receivables	4,439	3,299	13,297	13,972	(873)	(651)	16,863	16,620
320	Services work in progress	-	273	-	-	-	-	-	273
3,502	Prepayments	1,992	2,197	1,553	1,405	-	-	3,545	3,602
37,059	Total Current Assets	14,396	6,310	21,727	17,442	(873)	(651)	35,250	23,101
Non-Current Assets									
35,474	Property, plant and equipment	4,526	4,362	29,308	38,213	-	-	33,834	42,575
13,884	Intangible assets	14,579	16,021	200	204	-	-	14,779	16,225
49,358	Total Non-Current Assets	19,105	20,383	29,508	38,417	-	-	48,613	58,800
86,417	Total Assets	33,501	26,693	51,235	55,859	(873)	(651)	83,863	81,901

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Group		Regulatory Function		Security Service		Elimination		Group	
2024 Actual \$000		2025 Actual \$000	2025 Budget \$000	2025 Actual \$000	2025 Budget \$000	2025 Actual \$000	2025 Budget \$000	2025 Actual \$000	2025 Budget \$000
Current Liabilities									
18,162	Creditors and other payables	7,490	4,589	7,275	10,959	(873)	(651)	13,892	14,897
24,904	Employee entitlements	5,912	3,576	16,786	16,716	-	-	22,698	20,292
352	Provisions	215	50	2,234	-	-	-	2,449	50
43,418	Total Current Liabilities	13,617	8,215	26,295	27,675	(873)	(651)	39,039	35,239
Non-Current Liabilities									
7,417	Employee entitlements	500	359	6,512	7,725	-	-	7,012	8,084
375	Provisions	275	275	100	100	-	-	375	375
7,792	Total Non-Current Liabilities	775	634	6,612	7,825	-	-	7,387	8,459
51,210	Total Liabilities	14,392	8,849	32,907	35,500	(873)	(651)	46,426	43,698
35,207	Net Assets	19,109	17,844	18,328	20,359	-	-	37,437	38,203
Equity									
35,207	General funds	19,110	17,844	18,327	20,359	-	-	37,437	38,203
-	Specific reserves	-	-	-	-	-	-	-	-
35,207	Total Equity	19,110	17,844	18,327	20,359	-	-	37,437	38,203

Statement of changes in equity

For the year ended 30 June 2025

Authority		CA		AvSec		Elimination		Authority	
2024 Actual \$000		2025 Actual \$000	2025 Budget \$000	2025 Actual \$000	2025 Budget \$000	2025 Actual \$000	2025 Budget \$000	2025 Actual \$000	2025 Budget \$000
Equity									
Opening balance of equity at 1 July									
18,141	General funds	18,000	18,242	17,207	16,343	-	-	35,207	34,585
18,141	Total opening balance of equity at 1 July	18,000	18,242	17,207	16,343	-	-	35,207	34,585
(4,249)	Net (deficit)/surplus for the year	(3,337)	(3,680)	(6,258)	(5,897)	-	-	(9,595)	(9,577)
21,315	Capital contributions from the Crown	4,446	3,282	7,379	9,913	-	-	11,825	13,195
17,066	Total changes in equity during the year	1,109	(398)	1,121	4,016	-	-	2,230	3,618
Closing balance of equity at 30 June									
35,207	General funds	19,110	17,844	18,327	20,359	-	-	37,437	38,203
35,207	Total closing balance of equity at 30 June	19,110	17,844	18,327	20,359	-	-	37,437	38,203

Statement of cash flows

For the year ended 30 June 2025

Authority		CAA		AvSec		Elimination		Authority	
2024 Actual \$000		2025 Actual \$000	2025 Budget \$000	2025 Actual \$000	2025 Budget \$000	2025 Actual \$000	2025 Budget \$000	2025 Actual \$000	2025 Budget \$000
Cash Flows from Operating Activities									
163,231	Receipts from levies	31,886	31,200	134,283	137,694	-	-	166,169	168,894
8,652	Receipts from passenger security levies and charges, and other services	5,077	5,502	671	1,850	(42)	(7)	5,706	7,345
81,164	Receipts from Crown funding and Ministry contracts	30,678	36,548	54,686	55,120	-	-	85,364	91,668
1,755	Interest and other sundry revenue received	665	626	729	840	-	-	1,394	1,466
(201,091)	Payments to employees	(64,314)	(73,536)	(148,882)	(150,038)	-	-	(213,196)	(223,574)
(50,930)	Payments to suppliers	(2,385)	(1,025)	(46,167)	(46,104)	42	7	(48,510)	(47,122)
3,906	Goods and Services Tax (net)	(1,151)	684	(1,259)	514	-	-	(2,410)	1,198
6,687	Net Cash Flows from Operating Activities	456	(1)	(5,939)	(124)	-	-	(5,483)	(125)

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Authority		CAA		AvSec		Elimination		Authority	
2024 Actual \$000		2025 Actual \$000	2025 Budget \$000	2025 Actual \$000	2025 Budget \$000	2025 Actual \$000	2025 Budget \$000	2025 Actual \$000	2025 Budget \$000
Cash Flows from Investing Activities									
(325)	Sale of property, plant and equipment	(2)	-	19	-	-	-	17	-
(14,935)	Purchase of property, plant and equipment	(10)	-	(5,205)	(9,853)	-	-	(5,215)	(9,853)
(6,725)	Purchase of intangible assets	(4,123)	(3,282)	(50)	(60)	-	-	(4,173)	(3,342)
(21,985)	Net Cash Flows from Investing Activities	(4,135)	(3,282)	(5,236)	(9,913)	-	-	(9,371)	(13,195)
Cash Flows from Financing Activities									
21,315	Capital contributions from the Crown	4,446	3,282	7,381	9,913	-	-	11,827	13,195
-	Proceeds from external borrowings	-	-	-	-	-	-	-	-
21,315	Net Cash Flows from Financing Activities	4,446	3,282	7,381	9,913	-	-	11,827	13,195
6,017	Net increase/(decrease) in cash and cash equivalents	767	(1)	(3,794)	(124)	-	-	(3,027)	(125)
11,852	Opening cash and cash equivalents at 1 July	7,199	542	10,670	2,189	-	-	17,869	2,731
17,869	Closing Cash and Cash Equivalents at 30 June	7,966	541	6,876	2,065	-	-	14,842	2,606

Capital and asset management

The table below shows comparative actual capital expenditure against budget:

	Actual 2025 (\$000)	Budget 2025 (\$000)	% of budget spent	Variance Comment
Regulatory Function				
Computer hardware	-	-	-	
Computer software	3,643	3,030	120%	Due to timing in the Kapua Project, the actual spend overall aligns with the approved budget. The YTD actual spend aligns with the YTD reforecast. This project is now fully completed and capitalised.
Plant & equipment	12	-	-	
Furniture & fittings	-	-	-	
Motor vehicles	-	-	-	
Leasehold improvements	-	-	-	
TOTAL	3,655	3,030	121%	
Security Service				
Computer hardware	76	120	63%	
Computer software	50	60	83%	
Plant & equipment	4,324	8,993	48%	Delay in Cabin Baggage Screening (CBS) due to change in schedule, and delay in Non-Passenger Screening (NPS) due to airport readiness.
Furniture & fittings	61	456	13%	
Motor vehicles	682	-	-	Three NPS Mobile Hubs were funded under the NPS project, totalling \$624,000.
Leasehold improvements	99	284	35%	
TOTAL	5,292	9,913	53%	
Combined				
Computer hardware	76	120	63%	
Computer software	3,693	3,090	119%	
Plant & equipment	4,336	8,993	48%	
Furniture & fittings	61	456	13%	
Motor vehicles	682	-	100%	
Leasehold improvements	99	284	35%	
TOTAL	8,947	12,943	69%	

Total employee remuneration paid or payable that is or exceeds \$100,000⁴²

	Actual 2025	Actual 2024
\$100,000 - \$109,999	156	175
\$110,000 - \$119,999	104	115
\$120,000 - \$129,999	73	81
\$130,000 - \$139,999	47	51
\$140,000 - \$149,999	101	81
\$150,000 - \$159,999	46	33
\$160,000 - \$169,999	29	30
\$170,000 - \$179,999	35	24
\$180,000 - \$189,999	22	14
\$190,000 - \$199,999	10	15
\$200,000 - \$209,999	12	8
\$210,000 - \$219,999	6	9
\$220,000 - \$229,999	3	8
\$230,000 - \$239,999	11	8
\$240,000 - \$249,999	4	2
\$250,000 - \$259,999	6	-
\$260,000 - \$269,999	2	3
\$270,000 - \$279,999	3	1
\$280,000 - \$289,999	1	4
\$290,000 - \$299,999	3	4
\$300,000 - \$309,999	3	2
\$310,000 - \$319,999	3	1
\$320,000 - \$329,999	1	1
\$330,000 - \$339,999	1	-
\$340,000 - \$349,999	-	1
\$350,000 - \$359,999	1	-
\$360,000 - \$369,999	-	-
\$370,000 - \$379,999	1	-
\$380,000 - \$389,999	1	-
\$410,000 - \$419,999	-	1
\$500,000 - \$509,999	-	1
\$510,000 - \$519,999	-	1
\$520,000 - \$529,999	1	-
Total number of employees	686	674

⁴² Section 152 of the Crown Entities Act 2004 (CEA) requires Crown entities to disclose information about payments to members, committee members, and employees in their annual report.

Independent Auditor's Report

To the readers of Civil Aviation Authority's annual financial statements and performance information for the year ended 30 June 2025

The Auditor-General is the auditor of Civil Aviation Authority (the Authority). The Auditor-General has appointed me, Ingrid Harris, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the annual financial statements that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and expenses, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 91 to 127;
- the performance information that consists of:
 - the statement of performance for the year ended 30 June 2025 on pages 29 to 30 and 42 to 74; and
 - the end-of-year performance information for appropriations for the year ended 30 June 2025 on pages 88 to 90.

Opinion

In our opinion:

- The annual financial statements of the Authority:
 - fairly present, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- The statement of performance fairly presents, in all material respects, the Authority's service performance for the year ended 30 June 2025. In particular, the statement of performance:

- provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Authority for each class of reportable outputs; determined in accordance with generally accepted accounting practice in New Zealand; and
 - fairly presents, in all material respects, for each class of reportable outputs:
 - the actual performance of the Authority;
 - the actual revenue earned; and
 - the output expenses incurred

as compared with the forecast standards of performance, the expected revenues, and the proposed output expenses included in the Authority's statement of performance expectations for the financial year; and
 - complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- The end-of-year performance information for appropriations:
 - fairly presents, in all material respects:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred in relation to the appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
 - complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Our audit was completed on 31 October 2025. This is the date at which our opinion is expressed.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board for the annual financial statements and the performance information

The preparation of the financial statements and performance information of the Authority is the responsibility of the Board.

The Board is responsible on behalf of the Authority for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. This includes preparing performance information that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare annual financial statements, a statement of performance, and the end-of-year performance information for appropriations that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, the Board is responsible on behalf of the Authority for assessing the Authority's ability to continue as a going concern.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

Responsibilities of the auditor for the audit of the annual financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations.

For the budget information reported in the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, our procedures were limited to checking that the information agreed to the Authority's statement of performance expectations or to the Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2025.

We did not evaluate the security and controls over the electronic publication of the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate whether the statement of performance and the end-of-year performance information for appropriations:
 - provide an appropriate and meaningful basis to enable readers to assess the actual performance of the Authority in relation to the forecast performance of the Authority (for the statement of performance) and what has been achieved with the appropriation by the Authority (for the end-of-year performance information for appropriations). We make our evaluation by reference to generally accepted accounting practice in New Zealand; and
 - fairly present the actual performance of the Authority and what has been achieved with the appropriation by the Authority for the financial year.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board.
- We evaluate the overall presentation, structure and content of the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, including the disclosures, and whether the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, and our auditor's report thereon.

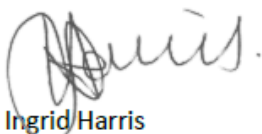
Our opinion on the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Authority in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Authority.



Ingrid Harris

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand

Information required by statute

Declaration required under sections 171 and 172 of the Search and Surveillance Act 2012:

Number of times CAA has exercised its powers under section 24(4) of the CA Act 1990 and/ or Part 9, Subpart 1 of the CA Act 2023 in 2024/25.	Nil
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Abbreviations and Glossary

Abbreviation	In full	Explanation
AAR	Advanced Aviation Reform	A work programme preparing CAA and the sector for the aviation of the future
ACAG	Aviation Community Advisory Group	A representative sector body that advises CAA on safety issues
AIC	Airport Identity Card	Documents employees or contractors need to work in the secure areas of airports
ARAC	Audit Risk and Assurance Committee	A CAA Board sub-committee responsible for oversight of financial management, accounting, audits, reporting and risk management
ARCs	Aviation-Related Concern	System for voluntary reporting any accidents, incidents or other safety-related aviation concerns that participants or the public notice.
ASO	Aviation Security Officer	CAA's frontline security staff
ATP	Advice, Triage and Planning	CAA team set up in 2025 to improve processes, and streamlines certification and licensing
AvSec	Aviation Security Service	Part of CAA which provides frontline aviation security, including passenger and baggage screening at airports
CAA	Civil Aviation Authority (of New Zealand)	The crown agency responsible for regulating civil aviation safety and security in New Zealand. Also known as CAANZ
CA Act 2023	Civil Aviation Act 2023	The main legislation governing New Zealand's civil aviation system, replacing earlier the CA Act 1990
CA005	A CAA form	Occurrence report that aviation participants must submit when an accident, incident, or hazard occurs
CAR	Civil Aviation Rules	Second level legislation issued under the CA Act 2023 that set operational and safety requirements.
CATI	CAA Transport Instruments	A new legal instrument enabled under the CA Act 2023
CNGP	Carbon Neutral Government Programme	Programme aiming to achieve New Zealand's emission reduction targets under the Paris Agreement
DAMP	Drug and Alcohol Management Plan/s	A new requirement under the CA Act 2023 for certain participants
DCE	Deputy Chief Executive	Second tier leaders in CAA, part of the ELT
ELT	CAA's Executive Leadership Team	Responsible for leading CAA Groups
ETP	Emerging Technology Programme	A specialist team in CAA aiming to work with innovative aviation participants to enable the safe and effective integration of emerging technologies into the civil aviation system
FAA	Federal Aviation Authority	US NAA

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Abbreviation	In full	Explanation
GAP	Good Aviation Practice booklets	Online or paper booklets which provide advice on good aviation practice, which CAA distributes for free
ICAO	International Civil Aviation Organization	A United Nations agency that sets international standards and practices for civil aviation safety and security. New Zealand is a member state ICAO.
Kapua	Application management platform	CAA’s new regulatory business system, which replaces our legacy aviation safety management system
LMS	Lane Matrix Screening	An advanced screening process introduced at airports to improve security effectiveness and passenger flow.
MoT	Ministry of Transport	The Government ministry responsible for transport policy, including aviation.
NAA	National Aviation Authority	Government agency responsible for civil aviation
NASP	National Aviation Safety Plan	A three-year plan that sets New Zealand’s safety priorities and actions across the aviation system.
NCASP	National Civil Aviation Security Plan	Document created by civil aviation authorities to set policies and procedures for aviation security, to comply with ICAO standards and the country’s SSP
NPRM	Notice of Proposed Rule Making	A public consultation document which is published on CAA’s website to ask for comments on proposed rule changes
NPS	Non-passenger screening	One of the class of people AvSec may screen at airports
NZHGPA	New Zealand Hang Gliding & Paragliding Association	The governing body of paragliding and hang gliding in New Zealand
Part 102 certificate	Certificate issued under Part 102	A certificate issued that allows an operator to fly drones (unmanned aircraft systems) for higher-risk or commercial activities.
PBE	Public benefit entity	How CAA designates itself for financial reporting under New Zealand equivalents to International Public Sector Accounting Standards.
PHSW	People Safety Health and Wellbeing Committee	A CAA Board sub-committee which exercises governance over matters relating to CAA’s people, health, safety and wellbeing
RACAs	Regulated Air Cargo Agents	Organisations authorised to provide a consignment of cargo or mail to an air operator for carriage by air
RPAS	Remotely Piloted Aircraft System	See UA and UAS definitions
SSG	Security Stewardship Group	A representative sector body that advises CAA on strategic aviation security issues
SSP	State Safety Programme	New Zealand’s national framework for managing aviation safety risks and showing compliance with ICAO safety standards.

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Abbreviation	In full	Explanation
TAIC	Traffic Accident Investigation Commission	An independent crown entity that investigates significant transport accidents and incidents, including in aviation.
UA	Unmanned Aircraft	An aircraft that is operated without a pilot on board. Note: These are sometimes referred to as Uncrewed Aircraft, but CAA uses the ICAO term, Unmanned. Also referred to as RPAS and/or drones.
UAS	Unmanned Aircraft System	A UA including its operating system.



CIVIL AVIATION AUTHORITY
OF NEW ZEALAND
Te Mana Rerevāngi Tōmatanui o Aotearoa



Civil Aviation Authority of New Zealand

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