



CIVIL AVIATION AUTHORITY  
OF NEW ZEALAND

*Te Mana Rererangi Tūmatanui o Aotearoa*

2026  
2027

# Statement of Performance Expectations



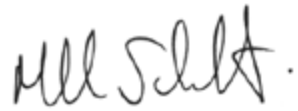
## Board Statement

The Civil Aviation Authority of New Zealand (the CAA) certifies that the information contained in this Statement of Performance Expectations (the SPE) reflects the operations and prospective financial statements, including the appropriateness of the underlying assumptions of the CAA for the period 1 July 2026 to 30 June 2027.

In signing this statement, we acknowledge our responsibility for the prospective financial statements contained in this SPE.



**Mark Darrow**, Chair of the Civil Aviation Authority of New Zealand



**Mike Schubert**, Deputy Chair of the Civil Aviation Authority of New Zealand

## Contact details

### Civil Aviation Authority of New Zealand

Level 15, Datacom Centre, 55 Featherston Street, Pipitea, Wellington 6011

PO Box 3555, Wellington 6140, New Zealand

+64 4 560 9400

[info@caa.govt.nz](mailto:info@caa.govt.nz)

[www.aviation.govt.nz](http://www.aviation.govt.nz)

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# Contents

Foreword.....	4
Introduction.....	6
Strategic focus.....	8
Who we are and what we do.....	10
Safety and security focus areas 2026-27.....	12
Delivering our strategy.....	14
Statement of performance expectations.....	16
Output Class 1: Policy and rule settings.....	18
Output Class 2: Education and engagement.....	20
Output Class 3: Certification and licensing.....	22
Output Class 4: Monitoring and investigation.....	24
Output Class 5: Security delivery.....	26
Appendix One: Reportable outputs – Crown-funded appropriations.....	28
Appendix Two: Changes to performance measures.....	29
Prospective financial statements.....	34
Note to the prospective financial statements.....	39
Additional prospective financial information.....	46

# Foreword

As New Zealand's aviation regulator, our work to maintain safety and security outcomes takes precedence in everything we do. It guides our decisions and shapes our actions to ensure the aviation system and everyone who works in, or relies on it, remains safe and secure. This sustained focus has resulted in a consistent decrease in aviation accidents and fatalities over a 20-year period.

## FY27 budget and key cost drivers

Since 2024, we have completed a series of initiatives to improve the efficiency and effectiveness of our core business while retaining a focus on prudent financial stewardship. In 2025/26 this approach resulted in consulting, legal, insurance and travel costs \$1.4m below budget, and a performance uplift in some areas such as reduced queue wait times at airport security screening points.

However our forecast expenditure has increased this year due to:

- a reduced vacancy level (from 16% to 6%) to adequately resource activities that will improve service delivery in priority areas including certification timeliness
- a 2% salary adjustment
- a 2.2% CPI rate increase to cover automatic clauses in workplace leases and All of Government contracts
- technical upgrades including infrastructure at Auckland Airport's international terminal to support efficiency gains
- initiatives to support the delivery of organisational priorities including economic analysis for the first principles funding review, and new certification timeliness processes.

As the year progresses, we will continue our work to identify efficiencies and cost savings by implementing process efficiencies that support productivity and timeliness, optimising new technologies, and managing rosters and workforce planning to match demand.

## Planned investment in transformational activities

Through ongoing consultation with the aviation sector and our people it has become evident that significant operational change is required before we can optimally deliver our services and achieve the goals and objectives set out in our strategy:

- 1 Strengthen system safety and security**
- 2 Enable innovation**
- 3 Drive efficiencies and deliver value**

Planning our multi-year business transformation programme (the programme) started in November 2025 to identify, prioritise, and implement the organisational and technological changes required to realise our strategic impacts.

The programme will see the CAA reimagine how it undertakes its role, and it will make targeted investments in systems, processes and people. These investments will result in improvements in our performance, maintenance or enhancement of safety and security outcomes, and increased value to the aviation sector in the short- to medium-term.

The 2026/27 budget includes early investment in the business transformation programme. Subject to approval of a detailed business case, we expect early investments will be directed to:

- establish the business transformation programme
- establish the foundational capabilities required to enable transformation and deliver long-term tangible benefits; and
- address immediate risks and operational resilience issues (including data and cybersecurity).

## Delivering our strategic priorities

Our priorities for 2026/27 are outlined below, these align to ministerial and Board expectations and reflect planned business transformation activities. By making improvements in these areas, we will contribute to the Government's Aviation Action Plan and deliver our strategic impacts.

### 1. Improve certification timeliness

We are changing our assessment processes, trialling new technologies, and building the foundations for a digital, automated and standardised regulatory environment. Process changes will improve the timeliness of new issue and amendment certificate applications this year. We will continue to work towards achieving optimal performance once the required digital foundations are embedded.

### 2. Achieve fiscal sustainability, make savings and demonstrate value for money

We are continuing our focus on cost control by ensuring our investments prioritise activities or initiatives that improve our performance and/or benefit New Zealand. Opportunities for further cost savings will be identified through process efficiencies, optimising airport screening technologies, and managing rosters and workforce planning for frontline staff to match demand.

### 3. Prioritise the first principles funding review

We are using the findings of last year's independent Cost Driver Review to inform a detailed cost base review that re-baselines the cost of our activities. Public consultation on proposed funding models will be completed this year. The funding review will ensure that a sustainable and resilient funding model is in place from 1 July 2028 to 30 June 2034.

### 4. Strengthen alignment between Civil Aviation Rules and international standards

We are fostering innovation and enabling economic growth by starting to deliver the Rules Update Programme (RUP). The RUP responds to sector feedback on the Civil Aviation Rule changes that should be prioritised, and the benefits of Rules proactively addressing system changes. Once complete the changes will support a high-performing regulatory environment that is agile and efficient.

### 5. Build a strong and positive CAA culture

We are transforming how we deliver our activities. By supporting behavioural changes and risk-based decision making, we enable our people to be pragmatic, adaptive and delivery-focused when undertaking their work; this will safely improve the pace of regulatory decisions. We are delivering action plans in response to feedback from the 2026 staff engagement survey.



**Mark Darrow**

Chair of the Civil Aviation Authority of New Zealand

### 6. Strengthen sector enablement and engagement

We are partnering with the sector to share responsibility for the civil aviation system. By working collaboratively and sharing our respective skills we will sustain good safety and security outcomes for the system and gain a greater understanding of emerging risks and our individual operational requirements. This approach is particularly important in times of uncertainty for the sector as it supports participants to meet their safety and security obligations.

### 7. Reduce passenger queues

We are optimising the rollout of new aviation screening technologies such as Lane Matrix Screening which have already reduced queue wait times and increased passenger throughput. By using data from these new technologies, we can identify further efficiency improvements specific to each airport.

Delivery of these priorities will be supported by an uplift in capability of our Executive Leadership Team and changes to our governance structures, ensuring that we have the oversight required to realise the intended impacts of our strategy, and to identify opportunities to improve our performance.

Further information on how these priorities connect to our longer-term strategic vision and goals can be found in the 2026–2030 Statement of Intent.

At the time of writing there is uncertainty for the sector, and the organisation, due to the heightened vulnerability of aviation fuel which New Zealand imports, increasing fuel prices and a potential decrease in aviation activity if airlines cancel flights to conserve fuel and/or save costs. We are keeping a watching brief on global events and will revise the financial statements in this document if there is a material impact on the CAA's financial position in 2026/27, or if business transformation programme costs go above Board approved levels following this document's publication. Any amendments to this document would be made in accordance with section 149K(4) of the Crown Entities Act 2004.



**Kane Patena**

Director of Civil Aviation and Chief Executive of the Civil Aviation Authority of New Zealand

# Introduction

In October 2025, we published our new strategy, which reinforces the essential role of aviation safety and security as the foundation for a strong and thriving aviation system. It also places a stronger emphasis on enabling economic opportunities and supporting technological innovation.

This SPE explains how we will measure the delivery of our activities which must be performed to a high-standard to ensure the public has trust that we are fulfilling our role, and the aviation system is safe and secure.

## Refreshing our performance measures

We have updated our performance measures to better align with our strategy, resulting in fewer measures. The measures in this SPE are now simpler, and more focused on how well our core business performs – showing that the efficient and effective delivery of our core business provides value to participants and New Zealand.

This year, we have lowered the % target for some of our measures when compared to the targets set for the same, or equivalent, measures in 2025/26. This approach reflects that we allocate our time, effort and resources to focus on the areas of highest risk and where our activities deliver the most meaningful outcomes for the system. The measures with lowered % targets are:

- 3.4b, 4.2a and 4.2b – which measure the quality of our processes. Quality and timeliness need to be balanced. The targets have been lowered so we can prioritise our work to improve certification timeliness and deliver planned monitoring activities. This approach does not compromise safety or security outcomes.
- 1.1, 4.1, 5.3a and 5.3b – which measure if we conducted our planned activities. The targets have been lowered so we have the capacity required to be responsive and agile if risks or issues arise.

Our certification timeliness measure (3.1)<sup>1</sup> sets an ambitious target for our performance this year reflecting what good looks like in 2026/27. Process amendments will improve our performance this year, but the target is unlikely to be reached until the foundations for a digital, automated, and standardised regulatory environment have been built and embedded.

<sup>1</sup> A decision on complete new issue and amendment applications is made in line with agreed timeliness targets 80% of the time.

## Key achievements in 2025/26

In the 11 months to June 2026, we made important improvements to the way we deliver our core business to strengthen safety and security outcomes and improve service delivery. Highlights include:

- **Delivered cost savings through organisational restructure**  
We delivered cost savings by restructuring the organisation and bringing support functions together. This made us more efficient without affecting safety or security outcomes. It also allowed us to reinvest the savings into frontline regulatory work.
- **Setting the direction for strengthening data and digital foundations**  
We determined what needs to be in place to strengthen our data and digital foundations so we're ready to build more advanced capability in the future through the business transformation programme.
- **Enhancing certification processes**  
We streamlined approval workflows and introduced pre-assessment checks, improving our certification timeliness performance by 13% when compared to our 2024/25 results<sup>2</sup>. This improvement helped operators bring new aircraft into service faster, supporting innovation and economic growth.
- **Improving security screening systems**  
We upgraded screening technology at major airports. Travellers are seeing the benefits of our investments which maintain rigorous security standards while increasing lane capacity by up to 25% and improving wait times so that 96% of passengers are processed in less than 10 minutes. These efficiencies have contributed to savings, with AvSec estimated to finish FY26 \$11 million below the initial budget.
- **Shifting our operational model from compliance to safety and security enablement**  
We delivered targeted education and monitoring programmes that responded to emerging system risks, helping participants meet their responsibilities and keeping the overall system safe and secure.
- **Delivering the Work Together Stay Apart safety campaign**  
We launched a campaign in response to our data, to reduce the likelihood of mid-air accidents and the number of near collisions at unattended aerodromes. A Massey University survey found that 78% of respondents said their behaviours at unattended aerodromes would be safer following engagement with the campaign, and 76% perceived unattended aerodromes as safer since the campaign started.
- **Delivering a world first regulatory pathway for advanced aviation**  
We contributed to the New Zealand Space and Advanced Aviation Strategy by developing a suite of Civil Aviation Rules that modernises how New Zealand regulates advanced aviation in line with our deliverables. This included updates to Rule Parts 101<sup>3</sup> and 102<sup>4</sup>, and the creation of an entirely new Part 107<sup>5</sup> for research and development organisations. We also delivered three 'quick win' Rule updates at pace.

<sup>2</sup> 2024/25 quarter three results for SPE measure 3.1.1 (certification timeliness) compared to 2025/26 quarter three results for the measure.

<sup>3</sup> Part 101 Gyrogliders and Parasails, Unmanned Aircraft (including Balloons), Kites, and Rockets – Operating Rules.

<sup>4</sup> Part 102 Unmanned Aircraft Operator Certification.

<sup>5</sup> Part 107 Research and Development Organisation Certification.

# Strategic focus

## Vision

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

## Our role

To facilitate the operation of a safe and secure aviation system

## How we deliver our role

We facilitate, influence and enable safety and security through the following activities:

Policy and rule setting

Education and engagement

Certification and licensing

Monitoring and investigation

Security delivery

## What impact will we make?

We will work with the aviation sector to maintain high standards of safety and security, which provides the foundation for innovation, productivity and economic growth. Our efforts are focused on achieving these three main goals:



Strengthen system safety and security



Enable innovation



Drive efficiencies and deliver value

## Where will we focus our effort?

Alongside delivering our core role, we will make improvements in five key areas. These improvements will drive efficiency and timeliness in the delivery of our functions (especially certification and security screening), ensuring that we perform our core role effectively and provide value for money.



Rules



Digital enablement



Cost-base



Enablement



Culture

## How will we know we are achieving our goals?

We will measure the impact of our role to effectively facilitate safety and security outcomes, the reduction in risk or harm, and the economic contribution of aviation to New Zealand. We will measure timeliness of service, the quality of our decisions and the cost to serve.

## Our values

Collaboration | Transparency | Integrity | Respect | Professionalism



# Who we are and what we do

## Our role is to facilitate the operation of a safe and secure civil aviation system.

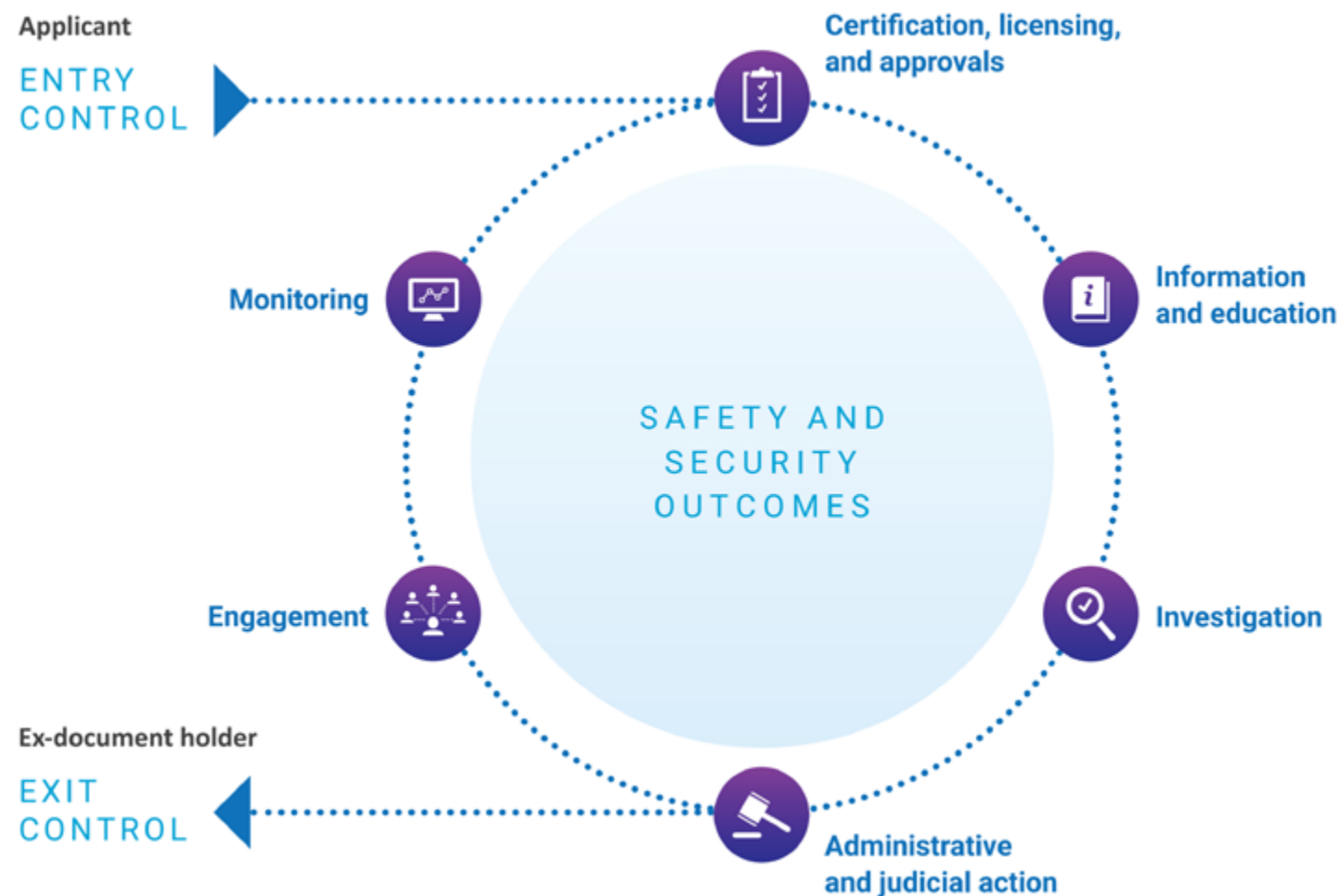
We use the word **facilitate** deliberately to emphasise our role in empowering others to meet their safety and security responsibilities and effectively manage their own risks.

We provide the framework and oversight that allows people who work in aviation, and those who rely on it, to stay safe and secure. This principle underpins how we deliver on our responsibilities.

Through our aviation security services (AvSec), we identify threats and manage risks at security-designated airports, protecting the system and the people who depend on it from those who may seek to cause harm.

The diagram below shows the regulatory cycle, and how the CAA's core business activities maintain safe and secure outcomes by:

- controlling entry to the New Zealand civil aviation system through certification and licensing
- overseeing the ongoing safe and secure operation of the system through engagement and education, monitoring and investigation, and delivering aviation security services
- controlling exit from the aviation system – acting if a participant is unwilling, or unable, to operate safely and securely.



Our role is not just about compliance. It's about building trust, enabling innovation, and supporting a strong aviation sector that benefits New Zealand's economy and communities.

## A safe and secure aviation system is critical to New Zealand.

Aviation is a major driver of New Zealand's economy and connectivity. It contributes around 5.6% of GDP and supports over \$17 billion in tourism. For a remote island nation where 99% of international arrivals come by air, a safe and secure aviation system is essential – not just for travel, but for trade, innovation, and vital social connections.

By sustaining the safety and security of this system, and ensuring its resilience, we create the conditions for innovation and economic opportunity through tourism, trade, and technological advancement.

We play an enabling role in delivering the Government's ambitions to grow the aviation sector as set out in the Aviation Action Plan and the New Zealand Space and Advanced Aviation Strategy. In 2026/27 this means we will:

- progress our deliverables in the Aviation Action Plan through business transformation activities that:
  - update Civil Aviation Rules through the Rules Update Programme (RUP)
  - improve the timeliness of our regulatory decision making
  - reduce certification wait times
  - automate routine tasks
  - progress the first principles funding review.
- contribute to the New Zealand Space and Advanced Aviation Strategy by:
  - supporting a world-leading regulatory environment for advanced aviation
  - ensuring safety, security, and sustainability in advanced aviation operations.



# Safety and security focus areas 2026-27

By working in partnership with the sector and undertaking targeted engagement and education activities we empower participants and organisations to meet their safety and security responsibilities and to effectively manage their own risks.

Our safety and security focus areas guide where we direct our regulatory effort across the aviation system. For instance, the areas inform the sector engagement we target, the monitoring activities we undertake and the policy priorities we set.

The focus areas are based on the latest international and domestic evidence and are informed by the International Civil Aviation Organization's (ICAO's) Global Aviation Safety and Security Plans. We update our safety and security focus areas annually.

## Safety focus areas for 2026

Safety focus areas	Outcome sought from CAA activities
Dangerous goods	Ensuring dangerous goods on passenger aircraft are handled safely and meet required standards.
Avoiding Controlled Flight Into Terrain (CFIT)	Reducing terrain and weather-related risks in regional air transport and helicopter operations.
Uncontrolled airspace and aerodromes	Supporting safer operations in busy uncontrolled environments and reducing mid-air collision risks.
Airworthiness and maintenance	Supporting participants and organisations to mitigate component failures and loss-of-control events through strengthened maintenance compliance and practices.
Runway and aerodrome safety	Reducing runway incursions and excursions at aerodromes that support passenger air transport operations using large aircraft.

## Security focus areas for 2026

Security focus areas	Outcome sought from CAA activities
Security of air cargo	Enhancing security across the secure cargo system, including known-customer arrangements and cargo-only aircraft.
Airside boundary integrity	Strengthening access controls and protecting airside security areas at security-designated aerodromes.
Security in vulnerable locations	Improving physical and personnel security in landside areas at airports with security screening and lifting practices at regional aerodromes.
International security risks	Improving our understanding of offshore risks and the security performance of foreign air operators.





# Delivering our strategy




Our strategy sets out the impacts we must make:

- 1 Strengthen system safety and security
- 2 Enable innovation
- 3 Drive efficiencies and deliver value

There are five areas of the business that must be improved before we can achieve the intended impacts of our strategy: these are Civil Aviation Rules, digital enablement, cost-base, enablement and culture.

Through our business transformation programme, we are making extra, targeted, investments in these areas so that participants and New Zealand can benefit from improvements to our performance in the short- to medium-term. The table below explains the importance of our investments, and the improvements that will be progressed in 2026/27.

Focus area	Strategic impacts
<p><b>Rules</b></p>  <p>We're speeding up our Rules programme and improving how we maintain Civil Aviation Rules, through our delivery of the RUP.</p> <p>This enables us to better align New Zealand with international requirements, ensure that Civil Aviation Rules are fit for purpose, address regulatory issues that can only be resolved by Rule changes, and to disestablish Rules that don't clearly support safety or security – removing unneeded requirements for participants.</p> <p>Together, these activities support a high-performing regulatory environment that is agile and efficient; ensuring that the aviation system is responsive and safe now, and resilient into the future.</p> <p>In 2026/27 we will continue our focus on the RUP to deliver high priority rule changes. We will also amend Rules and guidance to make requirements easier to follow.</p>	<ul style="list-style-type: none"> <li>1 Strengthens system safety and security</li> <li>2 Enables innovation</li> <li>3 Drives efficiencies and delivers value</li> </ul>
<p><b>Digital enablement</b></p>  <p>We're transforming the delivery of our core business so the user-experience is better for our staff, and the people and organisations who interact with us. This will help our services to become more accessible, safer, faster and consistent. Our improved efficiency will strengthen the value of our services.</p> <p>In 2026/27 we will build the foundations for a digital, automated, and standardised regulatory environment. This will be supported by the trialling of new technologies that could improve our efficiency.</p> <p>To support better outcomes for participants in the short-term, we will continue to make process amendments to improve our productivity, efficiency and timeliness.</p>	<ul style="list-style-type: none"> <li>2 Enables innovation</li> <li>3 Drives efficiencies and delivers value</li> </ul>

Focus area	Strategic impacts
<p><b>Cost-base</b></p>  <p>We're progressing a first principles funding review to develop a sustainable and resilient funding model by 1 July 2028. In the meantime, we will continue to prioritise investments in services that provide the most value to New Zealand.</p> <p>In 2026/27 the funding review will assess our current funding model, internationally benchmark our costs and develop a detailed cost-base review to determine the cost of our activities from 2028 to 2034. Once this work is complete, we will consult with the public on funding model options.</p> <p>We will also continue to identify efficiencies and cost savings by implementing process efficiencies that support productivity and timeliness, optimising new technologies, and managing rosters and workforce planning to match demand.</p>	<ul style="list-style-type: none"> <li>3 Drives efficiencies and delivers value</li> </ul>
<p><b>Enablement</b></p>  <p>We're partnering with the sector to share responsibility for the safety, security, and resilience of the aviation system. This enables us to better understand emerging risks and make the most of each other's expertise.</p> <p>We're also working closely with certificate applicants on how new and advanced technologies are tested to support their safe integration into the system.</p> <p>In 2026/27, we will improve how we engage with participants so our communication is more transparent, timely, and clear. Over time, this will build confidence and trust in the CAA.</p> <p>We will also engage with the sector to understand what they need from the new technologies we implement so that everyone benefits from their introduction.</p>	<ul style="list-style-type: none"> <li>1 Strengthens system safety and security</li> <li>2 Enables innovation</li> </ul>
<p><b>Culture</b></p>  <p>We have a culture of continuous learning and improvement that regularly assesses, and adjusts, our ways of working to improve our performance and enable the intended impacts of our strategy to be achieved.</p> <p>In 2026/27 we are focusing on how we deliver our activities. By supporting behavioural changes and risk-based decision making we enable our people to be pragmatic, adaptive and delivery-focused when undertaking their work. This will safely improve the pace of regulatory decisions and, overtime, build trust, credibility, and confidence with the sector – essential outcomes in facilitating the operation of a safe, secure, and resilient aviation system.</p> <p>Changes to our leadership and governance structures will embed this year, providing greater oversight of our performance and identifying opportunities for improvement. This will be supported by our ongoing focus and investment in leadership development and the capability of our people.</p>	<ul style="list-style-type: none"> <li>1 Strengthens system safety and security</li> <li>2 Enables innovation</li> </ul>

# Statement of performance expectations

## How we're funded to deliver

Most of our funding comes from levies, charges and fees on the aviation sector:

- commercial operators pay safety and security levies. Levies are based on the amount of aviation activity undertaken, or the number of passengers carried. Most of our revenue comes from safety and security levies on passenger air transport operations
- an hourly charge or specific fees are paid by participants for a range of regulatory applications and approvals
- Crown funding contributes to policy advice, ministerial servicing, international engagement, maritime port security and work undertaken as part of our delegation under the Health and Safety Work Act 2015
- we also receive funding under contract from the Ministry of Transport for Civil Aviation Rule development, and from the Ministry of Foreign Affairs and Trade's (MFAT's) Pacific Security Fund to support the Pacific to improve their aviation security screening.

We regularly review our funding model and cost recovery settings to keep them sustainable and aligned with our statutory obligations. Every three years, we undertake a comprehensive funding review to assess whether current funding levels are sufficient to maintain our core business and meet to medium – and long-term obligations as outlined in our Statement of Intent.

## Output classes

Output classes group together similar activities or services and describe how we deliver our core regulatory functions. Our funding aligns with these output classes:



### Output Class 1: Policy and rule settings



### Output Class 2: Education and engagement



### Output Class 3: Certification and licensing



### Output Class 4: Monitoring and investigation



### Output Class 5: Security delivery

In the sections that follow, we outline the funding associated with each output class (and the costs to deliver it) and provide performance measures for the 2026/27 financial year.

Activities that are partially Crown-funded are identified with an asterisk (\*), with further detail on the appropriation measures provided in **Appendix One**.

The forecast actuals provided for 2025/26 are the results for 2025/26 quarter three and are subject to change.

## How we measure our performance

The performance measures for 2026/27 have been streamlined to create stronger links to core business delivery, safety and security outcomes, and our strategy. An overview of the changes is provided in **Appendix Two**.

To set the performance measures, we identified the critical outcomes that must be achieved to deliver each output class and/or strategic intent. A target was then applied to each measure which considered:

- our historical performance
- what good performance looks like
- how we must allocate our time, effort, and resources to deliver our 2026/27 priorities
- the strategic impacts we want to make.

Our 2026-2030 Statement of Intent includes multi-year cost metrics that demonstrate how our investments deliver value for the aviation sector and New Zealand. These metrics will be used to determine if we are successfully delivering the impacts our strategy is designed to achieve.

Our performance against our SPE and Statement of Intent measures is reported to our Responsible Minister through the Annual Report. The report is independently audited for transparency, ensuring that we are accountable for our performance and transparent about whether we delivered value, not just to the sector, but to every New Zealander who relies on aviation.



# Output Class 1: Policy and rule settings

We undertake policy work to ensure legislation and Rules are effective, up to date, aligned with international standards and can respond quickly to changes in the aviation system. We engage with ICAO and other states to influence international standards in New Zealand's best interests. As an Associate Member of the Pacific Aviation Safety Office Council, we work alongside MFAT, to support the delivery of quality aviation safety and security for member states in the Pacific.



Under this output class, we support the Responsible Minister – and other parts of government – to make informed decisions on the civil aviation system and ensure that New Zealand can meet its obligations as a participant in a global aviation system. To achieve these outcomes, we:

- provide quality and timely advice to the Minister
- undertake strategic engagement in the international aviation system with our international counterparts and ICAO
- work to ensure that Civil Aviation Rules are maintained to meet changing system requirements.

Through MFAT funding we also support our Pacific Island partners to deliver aviation security programmes that strengthen regional security outcomes.

## In 2026/27 we will focus on:

- progressing the RUP to align Civil Aviation Rules with international standards, safely remove unneeded requirements for participants, and deliver high priority rule changes
- completing our actions in the State's Corrective Action Plan for the 2025 ICAO Safety Audit
- making refinements to Rule Parts to support a high-performing regulatory environment that is agile and quick.

Output measure	Target 2025/26	Forecast actual 2025/26	Target 2026/27
1.1 International activities align with the CAA's criteria for international engagement*		New measure	95%
1.2 Regulatory support and assistance to Pacific Island States is provided as agreed with MFAT	100%	100%	100%
1.3 The rules we develop and maintain are in accordance with the Minister's agreed programme*	100%	100%	80%
1.4 Our correspondence, briefings, and Parliamentary Questions meet or exceed the Minister's expectations*	100%	N/A	Meets/exceeds

## Costs to deliver Output Class 1

	2026 estimated actual \$000	2027 budget \$000
Levies	6,418	5,997
Crown funding	1,701	1,701
Ministry contracted revenue	1,847	1,847
Fees and charges	–	–
Other revenue	28	27
<b>Total output revenue</b>	<b>9,994</b>	<b>9,572</b>
<b>Total output expenses</b>	<b>8,583</b>	<b>9,860</b>
<b>Net surplus / (deficit)</b>	<b>1,411</b>	<b>(288)</b>

# Output Class 2: Education and engagement

We empower participants to meet their safety and security responsibilities and effectively manage their own risks through our education and engagement activities. We reduce risk and harm in the aviation system by supporting an aviation system where good risk management is standard practice, and operators integrate safety and security into their everyday business.



Under this output class, our resources build capability, strengthen the aviation community's overall resilience, and reduce risk and harm in the aviation system. This is particularly important in a period of significant technological transformation and financial pressure. To achieve these outcomes, we:

- build awareness of emerging issues and risk mitigations
- distribute safety guidance and education products such as Vector magazine
- influence behaviour changes
- offer educational resources that build capability including courses, workshops, and seminars
- provide open access to data and analytics so people and organisations can make informed, evidence based, decisions
- review our safety and security focus every year so they remain relevant.

### In 2026/27 we will focus on:

- collaborating with the sector to identify and manage safety and security risks
- surveying the sector to better understand sector risks and issues
- developing and delivering key education and safety campaigns in line with our 2026/27 safety and security focus areas
- understanding the sector's requirements for new technologies we implement.

Output measure	Target 2025/26	Forecast actual 2025/26	Target 2026/27
2.1 Our safety guidance and education products reach our participants		New measure	140,000
2.2 Participants indicate they are more likely to pursue safety or security improvements following our education courses, workshops, or seminars		New measure	90%

## Costs to deliver Output Class 2

	2026 estimated actual \$000	2027 budget \$000
Levies	2,227	2,094
Crown funding	—	—
Ministry contracted revenue	—	—
Fees and charges	—	—
Other revenue	33	71
<b>Total output revenue</b>	<b>2,260</b>	<b>2,165</b>
<b>Total output expenses</b>	<b>1,941</b>	<b>2,230</b>
<b>Net surplus / (deficit)</b>	<b>319</b>	<b>(65)</b>

# Output Class 3: Certification and licensing

To operate in the aviation system people, products and organisations need to be licensed or certificated or receive an exemption. These approvals ensure that people, products and organisations can operate safely and securely in the system.



Under this output class, we manage who can enter and operate in the civil aviation system, and who must exit to protect the safety of the system. To achieve these outcomes, we:

- issue new aviation documents to approve the safe entry of organisations, people and products – including new aviation technologies – into the system
- renew aviation documents so we are confident that those already operating in the system can continue to do so safely
- amend aviation documents to support organisational growth. For instance, if an organisation wants to expand its operations by adding a new aircraft to an existing certificate, we check that the aircraft can safely operate in the system before issuing an amendment
- grant exemptions from compliance with Civil Aviation Regulations and Rules – where the exemption is consistent with our main purpose in the Civil Aviation Act 2023 and international standards have been considered
- suspend or revoke aviation documents to protect system safety and security if the document holder is no longer meeting their obligations.

We make risk-based decisions – using existing information on people and organisations, data and system risk – to assess how we will progress applications. This approach sustains strong safety outcomes and can reduce time and cost for the applicant.

## In 2026/27 we will focus on:

- building the foundations for a digital, automated, and standardised regulatory environment
- clearing the certification backlog, and improving the timeliness for new issues and amendments through improved processes
- communicating effectively with participants
- ensuring our decisions are consistent and transparent
- optimising benefits from Advanced Aviation Reform changes to Rule Parts 101, 102 and 107
- supporting our people to make behavioural changes and risk-based decisions.

While we expect – and are targeting – improved timeliness for new issue and amendment certificate applications this year, we know that optimal performance will not be achieved immediately. Delivering planned business transformation activities to digitalise, automate and standardise the regulatory environment will enable us to reach optimal performance.

Output measure	Target 2025/26	Forecast actual 2025/26	Target 2026/27
3.1 A decision on complete new issue and amendment applications is made in line with agreed timeliness targets	New measure		80%
3.2 Certificate renewals are issued before the current certificate expires <sup>4</sup>	New measure		95%
3.3 Decisions on all complete MyAviation licence applications are made within 10 working days of receipt	100%	100%	99%
3.4a All sampled MyAviation licences met the CAA's required quality standards	100%	100%	99%
3.4b All sampled certificates met the CAA's required quality standards	100%	83%	95%

## Costs to deliver Output Class 3

	2026 estimated actual \$000	2027 budget \$000
Levies	40,477	38,551
Crown funding	436	436
Ministry contracted revenue	–	–
Fees and charges	5,607	5,576
Other revenue	713	677
<b>Total output revenue</b>	<b>47,233</b>	<b>45,240</b>
<b>Total output expenses</b>	<b>40,563</b>	<b>46,602</b>
<b>Net surplus / (deficit)</b>	<b>6,670</b>	<b>(1,362)</b>

<sup>4</sup> Participants must submit a complete renewal application within the time stipulated in the relevant Rule part (or as a condition of the aviation document) to ensure their existing certificate can be renewed before it expires.

# Output Class 4: Monitoring and investigation

We monitor the aviation system to ensure people and organisations continue to meet their obligations, and to inform our decision-making. Using data, evidence and insights, we carry out proactive monitoring and assessment activities. We also investigate aviation accidents, occurrences, and compliance in line with Rules and legislation. These investigations support a range of outcomes from education through to enforcement.



Under this output class our monitoring, inspection, and investigation activities ensure we are confident that risks are being well managed throughout the civil aviation system and participants are meeting their responsibilities. To achieve these outcomes, we:

- monitor participants' adherence to safety and security standards in the system through audits, inspections and investigations under the Civil Aviation Act 2023, the Health and Safety at Work Act 2015 and the Hazardous Substances and New Organisms Act 1996
- take appropriate action to enforce civil aviation legislation and Rules when required to hold people or organisations to account when they cause unacceptable risks to the safety and security of the aviation system.

We make risk-based decisions – using existing information on people and organisations, data and system risk – to assess which monitoring activities we must complete to sustain strong safety and security outcomes. This ensures we are focused on areas with the greatest risk of harm and our responses are proportional.

## In 2026/27 we will focus on:

- analysing our intelligence, data and system risks to inform our monitoring activities
- supporting our people to make behavioural changes and risk-based decisions
- using the right regulatory tool at the right time.

Output measure	Target 2025/26	Forecast actual 2025/26	Target 2026/27
4.1 Planned monitoring activities are conducted*	80%	76%	80%
4.2a Sampled inspections met the CAA's required quality standards*	New measure		90%
4.2b Sampled investigations met the CAA's required quality standards*	New measure		90%

## Costs to deliver Output Class 4

	2026 estimated actual \$000	2027 budget \$000
Levies	28,157	26,878
Crown funding	1,200	1,200
Ministry contracted revenue	–	–
Fees and charges	185	216
Other revenue	82	80
<b>Total output revenue</b>	<b>29,624</b>	<b>28,374</b>
<b>Total output expenses</b>	<b>25,441</b>	<b>29,229</b>
<b>Net surplus / (deficit)</b>	<b>4,183</b>	<b>(855)</b>

# Output Class 5: Security delivery

We keep passengers, crew and other personnel safe by carrying out aviation security screening and searching, working closely with other border and government agencies to identify threats, managing the risk of unlawful interference with aircraft and aviation infrastructure, and conducting robust quality assurance to drive continuous improvement in security outcomes.



Under this output class, we are responsive to security issues and risks – sustaining trust in New Zealand as a safe and secure trade partner and tourist destination. To achieve these outcomes, we:

- collaborate with New Zealand border agencies, and our international counterparts, on security issues and improvements
- carry out patrols and surveillance at airports including the explosive detector dog unit
- continuously improve our systems through audits and a testing programme that identifies and mitigates emerging issues
- maintain a readiness to support a maritime security response if a serious threat affects ships, people boarding a ship, or entering within a port security area
- monitor Civil Aviation Rules and regulations and the management of risk for all aviation activities
- provide airport security screening of passengers, non-passengers, baggage, and air cargo in compliance with agreed ICAO standards and the CAA's regulations
- respond to evolving threats by adopting new security technologies and systems.

## In 2026/27 we will focus on:

- creating a more integrated digital environment that meets security requirements and improves service levels
- improving data and reporting systems to support decisions on new efficiency initiatives
- making process efficiencies to support productivity and timeliness including strengthening access controls
- optimising our workforce by managing rosters and workforce planning to match demand
- rolling out screening technology to support better service delivery
- strengthening our quality assurance processes and our frontline's core skills through training.

Output measure	Target 2025/26	Forecast actual 2025/26	Target 2026/27
5.1 Passengers are processed through airport security screening points within 10 minutes	New measure		95%
5.2 Non-passenger interventions are within agreed standards	100% requirements met	100%	100%
5.3a The systems testing programme is delivered to agreed levels	New measure		95%
5.3b Corrective action plans are implemented within 6 months	New measure		80%
5.4 Time rostered on is used for core activities	New measure		90%

## Costs to deliver Output Class 5

	2026 estimated actual \$000	2027 budget \$000
Levies	235,162	223,404
Crown funding	105	105
Ministry contracted revenue	–	–
Fees and charges	–	–
Other revenue	2,730	2,730
<b>Total output revenue</b>	<b>237,997</b>	<b>226,239</b>
<b>Total output expenses</b>	<b>198,285</b>	<b>210,357</b>
<b>Net surplus / (deficit)</b>	<b>39,712</b>	<b>15,882</b>

# Appendix One

## Reportable outputs – Crown-funded appropriations

### Non-departmental output expenses appropriation 'Civil Aviation and Maritime Security Services'

**Funding purpose:** To achieve a safe and secure airspace environment through the implementation and monitoring of Rules and regulations and the management of risk for all aviation activities, and preparedness to provide a maritime security response role to a high-level threat situation affecting cruise ships or their passengers.

How do we measure our performance?		Target 2025/26	Forecast actual 2025/26	Target 2026/27
SPE	Measure 1.1 - International activities align with the CAA's criteria for international engagement	New measure		95%
	Measure 1.3 - The Rules we develop and maintain are in accordance with the Minister's agreed programme	100%	100%	80%
	Measure 1.4 - Our correspondence, briefings, and Parliamentary Questions meet or exceed the Minister's expectations	100%	N/A	Meet or exceed
Annual Report	Bi-annual survey on confidence in safety and security in air transport assesses if travellers have confidence that aviation in New Zealand is safe and secure	N/A – non survey year		Maintained or improved

### Non-departmental output expenses appropriation 'Health and Safety at Work Activities – Civil Aviation'

**Funding purpose:** To achieve a high level of safety and security standards within the New Zealand civil aviation system.

How do we measure our performance?		Target 2025/26	Forecast actual 2025/26	Target 2026/27
SPE	Measure 4.1 - Planned monitoring activities are conducted	80%	76%	80%
	Measure 4.2a - Sampled inspections met the CAA's required quality standards	New measure		90%
	Measure 4.2b - Sampled investigations met the CAA's required quality standards	New measure		90%

### Non-Departmental Capital Expenditure – Civil Aviation Authority – Capital Injection (2025-2030)

**Funding purpose:** To support upgrades to aviation security infrastructure.

How do we measure our performance?		Target 2025/26	Forecast actual 2025/26	Target 2026/27
Annual report	Programme milestones are achieved	100%	100% of planned works to timeframe and standard	100%

# Appendix Two

## Changes to performance measures

This table lists the changes to output performance measures since last year's Statement of Performance Expectations, and the reasons for those changes. It also details changes made to the performance measures for our appropriations.

Ref	Output measure 2025/26	Performance target	Changed 26/27 measure/target	Reason for change
1.1	The Authority's international activities are consistent with ICAO's global priorities for aviation safety and security.	100%	Updated with SPE performance measure 1.1 – 95% of International activities align with the CAA's criteria for international engagement.	The criteria for the new measure considers ICAO's global priorities.
1.2	We assess current and emerging issues in the aviation system, and develop appropriate responses.	100%	Updated with SPE performance measure 1.3 – 80% of the rules we develop and maintain are in accordance with the Minister's agreed programme.	Developing appropriate and proactive responses to emerging issues is a key requirement of the new rules programme.  Additionally, sector risks inform our education and engagement activities (guidance, workshops, communications, safety campaigns, etc). Through these activities we empower participants to meet their safety and security responsibilities and manage current or emerging risks.
1.2	We support the implementation of the Civil Aviation Act 2023, including development of guidance and operational policy.	100%	Retired measure.	The measure is obsolete as the Act came into force on 5 April 2025.
1.3	Our engagement with the Minister's Office on correspondence, briefings, enquiries, Parliamentary Questions, Ministers' meetings, and other ministerial requests meets the Minister's expectations.	100%	Updated with SPE performance measure 1.4 – Our correspondence, briefings, and Parliamentary Questions meet or exceed the Minister's expectations.	The assessment process has been simplified by moving away from a % target.
2.1.1	<b>We build safety awareness through:</b>		Updated with SPE performance measure 2.1 Our safety guidance and education products reach 140,000 of our participants.	We are moving away from counting the number of products we distribute, to measuring the reach of our key safety education and guidance publications including Vector magazine, social media and Good Aviation Practice booklets (see SPE performance measure 2.1 – Our safety guidance and education products reach 140,000 of our participants).  The measure is not a meaningful metric of our performance and can be impacted by routine maintenance to our website.  We take an intelligence-led, risk-based approach to inform the safety campaigns (and materials) we invest in.
	• Education courses, workshops or seminars to participants nationwide	12 delivered		
	• Safety education products distributed	80,000		
	• Vector magazines published			
	• Print copies distributed	56,000		
	• Online readership	5,700		
	• Public aviation safety dashboard accessible on the Authority website	100%		
	• Targeted safety campaigns address specific areas of concern or new issues that arise	100%		
2.2.1	Our education courses, workshops, or seminars are rated by participants as a 3 or higher	85%	Retired measure	Replaced with measure 2.2 – 90% of participants indicate they are more likely to pursue safety or security improvements following our education courses, workshops, or seminars. The new measure has a stronger link to measuring the impact of our education activities.

Ref	Output measure 2025/26	Performance target	Changed 26/27 measure/target	Reason for change
2.2.2	Public aviation safety dashboard is rated by users as a 3 or higher	85%	Retired measure.	This measure was developed to understand how our analytics products were viewed by sector. Measure 2.2 shows the value to participants from the delivery of our education and engagement activities.
2.2.3	Percentage of emerging technology participants surveyed reporting that the Emerging Technology Unit gateway process has met or exceeded their expectations.	70%	Retired measure.	The Annual Report will provide a 12 month analysis of our automatic survey results to identify trends across all certificate types.
3.1.1	<b>Timeliness of new applications for all certification types – certification processed within:</b>		Updated with SPE performance measure 3.1 – A decision on complete new issue and amendment applications is made in line with agreed timeliness targets 80% of the time.	A single high-level measure is a concise way to show our timeliness performance across all certificates including Part 102 <sup>7</sup> and all licences. The timeliness targets for reportable Rule parts will be released on our website for participants' reference.  Through our Annual Report and Quarterly Performance Report we will explain fluctuations in our performance against this measure, how we are prioritising our resource (and why), and where our initiatives to improve timeliness have been effective.
	• 20 working days from receipt of application	>50%		
	• 40 working days from receipt of application	>70%		
	• 120 working days from receipt of application	>90%		
	<b>Timeliness of amendments for all certification types – certification processed within:</b>			
	• 20 working days from receipt of application	>50%		
	• 40 working days from receipt of application	>70%		
	• 80 working days from receipt of application	>90%		
	<b>Timeliness of new applications for Part 102 certificates – certification processed within:</b>			
	• 20 working days from receipt of application	>50%		
	• 40 working days from receipt of application	>70%		
	• 120 working days from receipt of application	>90%		
	<b>Timeliness of amendments for Part 102 applications – certification processed within:</b>			
• 20 working days from receipt of application	>50%			
• 40 working days from receipt of application	>70%			
• 80 working days from receipt of application	>90%			
3.1.1	Percentage of Part 102 applicants surveyed who report that CAA has met or exceeded their expectations for timeliness processing their applications.	>70%	Retired measure.	The Annual Report will provide a 12-month analysis of our automatic survey results to identify trends across all certificate types.

<sup>7</sup> Part 102 Unmanned Aircraft Operator Certification

Ref	Output measure 2025/26	Performance target	Changed 26/27 measure/target	Reason for change
4.1.1	<b>We'll influence aviation safety and security through monitoring, inspection and investigation activities:</b>			
	• Planned oversight activity (monitoring and inspection) compared to activity conducted	80%	Updated with SPE performance measure 4.1- 80% of planned monitoring activities are conducted.	The new measure retains the intent of the current measure, while simplifying the language. It also retains flexibility to undertake reactive monitoring activities (if required).
	• Oversight activities (monitoring and inspections) meet the objectives of the oversight programme	100%	Retired measure.	We take an intelligence-led, risk-based approach to set our programme of oversight activities which includes assessing intelligence reports.
	• Intelligence reports assessed for inclusion in the programme of oversight activities	100%	Retired measure.	
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	100% of those assessed comply	Updated with SPE performance measure 4.2b – 90% of sampled inspections met the CAA's required quality standards.	The measure was developed before the introduction of our regulatory decision making model. Now the model is in place, we can use it to assess our performance inhouse.
5.1.1	Time periods where screening capacity was insufficient to meet passenger demand (95% of lane capacity exceeded).	<5%	Retired measure.	The current measure is obsolete with introduction of Lane Matrix Screening as we can now operate at higher capacity levels without causing queues.
5.1.2	Time periods where average wait time exceeds 10 minutes.	<5%	Retired measure.	The focus from average wait time to throughput shows the effectiveness of our new screening technologies and changed facilitation processes.
5.1.3	Time periods where a screening lane was open but not required.	<10%	Updated with SPE performance measure 5.4 – 90% of time rostered on is used for core activities.	The new measure shows if we are effectively using our resource across all security activities (not just security screening), and if our security services are cost efficient by ensuring that rostered coverage meets required demand.
5.1.4	Number of complaints upheld against the Aviation Security Service per 50,000 screened.	<2 per 50,000 passengers	Retired measure.	Analysis of complaints across the entire organisation will be included in the Annual Report.
5.2.1	Security monitoring of restricted areas against regulated standards	100% of requirements met	Replaced by SPE performance measure 5.2 – 100% of non-passenger interventions are within agreed standards.	The new measure provides a stronger and clearer connection to our delivery of the 20% Non Passenger Screening intervention rate agreed with ICAO.
5.2.2	<b>Regular non-passenger security risk assessments performed and mitigation actions implemented:</b>		Replaced by measures: 5.3a – 95% of the systems testing programme is delivered to agreed levels, and 5.3b – 80% Corrective action plans are implemented within 6 months.	The current measures relate to Non-Passenger Screening only. The proposed new measures aim to show that we are continually assessing how effective all our security activities are to maintain / strengthen security outcomes.
	• Annual risk assessment performed	100%		
	• Annual risk assessment recommendations implemented	100%		

## Appropriation measures

We have aligned our appropriation measures with our SPE measures (where possible), in response to Audit NZ's feedback, and Treasury's advice to provide meaningful metrics.

### Non-departmental output expenses appropriation 'Civil Aviation and Maritime Security Services'

Output measure 2025/26	Performance target	Changed 26/27 measure/target	Reason for change
The Authority's international strategy is consistent with ICAO's global priorities for aviation safety and security.	100%	Updated with SPE performance measure 1.1 – 95% of international activities align with the CAA's criteria for international engagement.	The criteria for the new measure considers ICAO's global priorities and ICAO engagements that must be undertaken in the coming FY.
Our activities to influence ICAO are consistent with the goals of the Authority's international strategy.	100%	Updated with SPE performance measure 1.4 – Our correspondence, briefings, and Parliamentary Questions meet or exceed the Minister's expectations.	
Our engagement with the Minister's Office on correspondence, briefings, enquiries, Parliamentary Questions, Ministers' meetings, and other ministerial requests meets the Minister's expectations.	100%	Updated with SPE performance measure 1.4 – Our correspondence, briefings, and Parliamentary Questions meet or exceed the Minister's expectations.	Changing the measurement from a % to "does not meet" / "meets" / "exceeds expectations" simplifies the assessment process.
–	–	New measure, SPE performance measure 1.2 – 80% of the Rules we develop and maintain are in accordance with the Minister's agreed programme.	The new measure reflects the funding received to deliver the Minister's rule programme.
We respond to requests for policy advice from government departments and agencies on issues affecting safety and security.	100%	Retired measure.	We provide advice to government departments and agencies as required through the delivery of our regulatory role (in a BAU capacity). The measure is retired as it is not a meaningful performance metric.

### Non-departmental output expenses appropriation 'Health and Safety at Work Activities – Civil Aviation'

Output measure 2025/26	Performance target	Changed 26/27 measure/target	Reason for change
–	–	New measure – SPE performance measure 4.1 – 80% of planned monitoring activities are conducted.	As output class 4 activities (monitoring and investigation) are funded by this appropriation, we have tied our performance to the SPE performance measures for the output class.
–	–	New measure – SPE performance measure 4.2a – 90% of sampled inspections meet the CAA's required quality standards.	
–	–	New measure – SPE performance measure 4.2b – 90% of sampled investigations met the CAA's required quality standards.	

### Non-departmental Capital Expenditure – Civil Aviation Authority – Capital Injection (2025-2030)

Output measure 2025/26	Performance target	Changed 26/27 measure/target	Reason for change
Percentage of planned works delivered to timeframe and standard.	100%	100% of programme milestones are achieved.	The revised language simplifies the assessment process into a single metric.
Reserves restoration funding is drawn down in accordance with the Funding Agreement	Achieved	Retired measure	This measure has been achieved and can be retired.



# Prospective financial statements

## Prospective financial indicators

For the year ending 30 June

	2026 estimated actual \$000	2027 budget \$000
<b>Safety</b>		
Revenue	89,111	85,351
Output Expense	76,528	87,921
<b>Net surplus/(deficit)</b>	<b>12,583</b>	<b>(2,570)</b>
Bank and Investment balances	23,762	24,838
Net assets	39,693	35,343
Capital Expenditure	2,073	1,785
<b>Security</b>		
Revenue	237,997	226,239
Output Expense	198,285	210,357
<b>Net surplus/(deficit)</b>	<b>39,712</b>	<b>15,883</b>
Bank and Investment balances	49,139	55,611
Net assets	70,039	85,921
Capital Expenditure	10,974	24,127
<b>CAA</b>		
Revenue	327,108	311,590
Output Expense	274,813	298,278
<b>Net surplus/(deficit)</b>	<b>52,295</b>	<b>13,312</b>
Bank and Investment balances	72,901	80,449
Net assets	109,732	121,264
Capital Expenditure	13,047	25,912

The accompanying statement of accounting policies forms part of these prospective financial statements.

# Prospective statement of comprehensive revenue and expenses

For the year ending 30 June

	2026 estimated actual \$000	2027 budget \$000
<b>Revenue</b>		
Levies revenue	312,442	296,924
Revenue from other services	7,707	7,997
Crown funding revenue	3,442	3,442
Ministry contract revenue	1,847	1,847
Interest and other revenue	1,670	1,380
<b>Total revenue</b>	<b>327,108</b>	<b>311,590</b>
<b>Expense</b>		
Personnel costs	213,813	233,165
Other cost of services	48,942	52,734
Audit fees for financial statements	221	220
Finance costs	(29)	–
Depreciation and amortisation expense	11,655	11,939
Authority member costs	211	220
<b>Total expense</b>	<b>274,813</b>	<b>298,278</b>
<b>Net Surplus/(Deficit)</b>	<b>52,295</b>	<b>13,312</b>
<b>Total comprehensive revenue and expenses</b>	<b>52,295</b>	<b>13,312</b>

The accompanying statement of accounting policies forms part of these prospective financial statements.

## Prospective statement of financial position

As at 30 June

	2026 estimated actual \$000	2027 budget \$000
<b>Current assets</b>		
Cash and cash equivalents	72,901	80,449
Debtors and other receivables	30,529	24,449
Services work in progress	278	438
<b>Total Current Assets</b>	<b>103,708</b>	<b>105,336</b>
<b>Non-current assets</b>		
Property, plant and equipment	37,466	53,010
Intangible assets	12,105	10,618
<b>Total Non-Current Assets</b>	<b>49,571</b>	<b>63,628</b>
<b>Total Assets</b>	<b>153,279</b>	<b>168,964</b>
<b>Current liabilities</b>		
Creditors and other payables	12,443	15,104
Employee entitlements	23,717	25,021
<b>Total Current Liabilities</b>	<b>36,160</b>	<b>40,125</b>
<b>Non-current liabilities</b>		
Employee entitlements	7,012	7,200
Provisions	375	375
<b>Total Non-Current Liabilities</b>	<b>7,387</b>	<b>7,575</b>
<b>Total Liabilities</b>	<b>43,547</b>	<b>47,700</b>
<b>NET ASSETS</b>	<b>109,732</b>	<b>121,264</b>
<b>Equity</b>		
General funds	57,437	57,437
Levy reserve	52,295	63,827
<b>Total Equity</b>	<b>109,732</b>	<b>121,264</b>

The accompanying statement of accounting policies forms part of these prospective financial statements.

## Prospective statement of changes in equity

For the year ending 30 June

	2026 estimated actual \$000	2027 budget \$000
<b>Opening balance of equity at 1 July</b>		
General funds	37,437	57,437
Levy reserve	–	52,295
<b>Total opening balance of equity at 1 July</b>	<b>37,437</b>	<b>109,732</b>
Total comprehensive revenue and expense	52,295	13,312
Transfer to/(from) levy reserve	52,295	11,532
Transfer to/(from) general funds	(52,295)	(13,312)
Capital contribution from Crown	20,000	–
<b>Total changes in equity during the year</b>	<b>72,295</b>	<b>11,532</b>
<b>Closing balance of equity at 30 June</b>		
General funds	57,437	57,437
Levy reserve	52,295	63,827
<b>Total closing balance of equity at 1 July</b>	<b>109,732</b>	<b>121,264</b>

The accompanying statement of accounting policies forms part of these prospective financial statements.

## Prospective statements of cash flows

For the year ending 30 June

	2026 estimated actual \$000	2027 budget \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Receipts from levies	301,020	296,130
Receipts from fixed fees, charges and other services	4,915	5,922
Receipts from Crown funding and Ministry contracts	5,289	5,289
Interest received	765	991
Receipts from other income	2,403	2,403
<b>Total</b>	<b>314,392</b>	<b>310,735</b>
<b>Cash was applied to:</b>		
Payments to employees	(207,012)	(210,068)
Payments to suppliers	(51,026)	(62,352)
Goods and Services Tax (net)	(5,248)	(4,855)
<b>Total</b>	<b>(263,286)</b>	<b>(277,275)</b>
<b>Net Cash Flows from Operating Activities</b>	<b>51,106</b>	<b>33,460</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Cash was applied to:</b>		
Purchase of property plant and equipment	(11,519)	(23,262)
Purchase of intangible assets	(1,528)	(2,650)
<b>Total</b>	<b>(13,047)</b>	<b>(25,912)</b>
<b>Net Cash Flows from Investing Activities</b>	<b>(13,047)</b>	<b>(25,912)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Capital Injection from Crown	20,000	–
<b>Total</b>	<b>20,000</b>	<b>–</b>
<b>Net Cash Flows from Financing Activities</b>	<b>20,000</b>	<b>–</b>
Net increase/(decrease) in cash and cash equivalents	58,059	7,548
<b>Opening Cash And Cash Equivalents as at 1 July</b>	<b>14,842</b>	<b>72,901</b>
<b>Closing Cash And Cash Equivalents as at 30 June</b>	<b>72,901</b>	<b>80,449</b>

The accompanying statement of accounting policies forms part of these prospective financial statements.

## Notes to the prospective financial statements

### Statement of significant underlying assumptions

The prospective financial statements have been prepared in accordance with the Crown Entities Act 2004. They comprise:

- the combined prospective financial statements for the safety and security activities of the organisation; and
- separate prospective financial statements for each of the CAA's safety and security regulatory activities.

This is in accordance with the Civil Aviation Act 2023, which requires the Authority to maintain separate accounts for the Aviation Security Function.

#### Levies

The 2026/27 levy budget has been set based on the Civil Aviation (Safety) Levies Order 2002 (version as at 1 July 2025) using a:

- safety levy rate of \$3.92 for both international and domestic passenger (GST exclusive), with airlines operating domestically under Australia New Zealand Aviation privileges paying a domestic passenger levy of \$3.85 (GST exclusive).
- security levy rate of \$10.91 (GST exclusive) for domestic passengers and \$22.30 (GST exclusive) for international passengers (including transit passengers).

Operations safety levies apply to commercial aviation operations i.e. agricultural, adventure, freight-only and those that carry fewer than 20,000 passengers per annum.

#### Projected passenger numbers

Forecast passenger volumes are based on historical trends, current market conditions and anticipated travel demand.

Forecasting revenue from passenger safety and security levies, based on international and domestic passenger volumes, remains challenging. Currently, there is increased uncertainty of passenger demand due to geopolitical instability, particularly the ongoing conflict in the Middle East. Such events impact passenger travel behaviour through changes in airline schedules, fuel prices, consumer confidence and international travel patterns. Any sustained

escalation or disruption could result in passenger numbers being materially different to budget, which would have a corresponding impact on revenue.

Some airlines have also experienced capacity challenges with aircraft availability, that have impacted both international and domestic supply in recent years. This impact is expected to continue into the next financial year.

Given the current situation, both international and domestic passenger volumes in the 2026/27 financial year are assumed to be on average 5% lower than 2025/26 estimated actuals and are presented in the table below.

#### Passenger numbers

	2026 estimated actual \$000	2027 Budget \$000
Safety Levies: Domestic	12,512,862	11,884,549
Security Levies: Domestic	7,121,111	6,808,951
Safety Levies: International	6,711,848	6,378,810
Security Levies: International (includes international transit)	7,061,476	6,686,921

The domestic passenger safety levy is based upon departing passengers carried on each domestic sector by all airlines carrying greater than 20,000 passengers per annum.

Domestic passenger security levies are based upon departing passengers carried on jet aircraft with 90 or more passengers on each domestic sector.

A 1% movement in domestic and international passenger volumes would have an estimated impact on projected revenues depicted in the following table:

	2026 estimated actual \$000	2027 Budget \$000
Safety Levies: Domestic	489	489
Security Levies: Domestic	777	743
Safety Levies: International	263	250
Security Levies: International (includes international transit)	1,575	1,491

## Fees and charges revenue

The revenue for fees and charges is based on the Civil Aviation Charges Regulations (No2) 1991 (last amended in 2025) with the pricing structure reflecting the size of the industry and the income recoverable from regulatory interventions. This revenue is presented under revenue from other services for the CAA's safety function.

## Contracted services revenue

AvSec receives revenue from security services work provided to third parties. Revenue from these services is assumed to stay in line with the 2025/26 financial year. This revenue is presented under revenue from other services for the CAA's security function.

## Expenditure

The 2026/27 budget has been set at a level that will enable:

- our regulatory activities to deliver core functions and be able to address issues arising from new aviation technologies.
- our security function to efficiently process the projected passenger volumes and deliver all of its other functions that are not directly linked to passenger volumes. It also includes AvSec's share of corporate overhead costs of enabling and support functions.

## Operating surpluses/deficits

The projected surplus reflects the rebuilding of reserves (depleted at the start of the COVID-19 pandemic) which began on 1 July 2025.

The target range for reserves is equivalent to:

- 75% of six to nine weeks of operating expenses for the CAA's safety functions, and
- six to nine weeks of operating expenses for the CAA's security function.

## CAA's capital appropriation

In Budget 2025, a **Civil Aviation Authority – Capital Injection (2025-2030)** appropriation was established with the primary purpose being to fund the replacement and upgrade of screening equipment used for hold-stow baggage.

The appropriation scope also allowed CAA an early access for managing its normal working capital fluctuations in early 2025/26, while its reserves were being rebuilt following the ending of Crown liquidity support provided during the COVID-19 pandemic.

The \$20 million capital contribution from the Crown disclosed in the 2025/26 estimated actuals represents an approved early drawdown of this appropriation for liquidity purposes. These funds are now retained by CAA and held until the replacement of hold-stow baggage screening equipment, which is expected to commence in the 2026/27 financial year.

# Statement of accounting policies

## Reporting entity

The CAA was established under the Civil Aviation Act 1990 as a Crown Entity on 10 August 1992 and is owned by the Crown. As a Crown Entity, the Authority is also subject to the provisions of the Crown Entities Act 2004. The CAA has a responsibility to work towards the development and delivery of achieving an integrated, safe, responsive, and sustainable civil aviation system.

As the CAA'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 for financial reporting under New Zealand equivalents to International Public Sector Accounting Standards.

## Basis of preparation

The prospective financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004 and the Civil Aviation Act 2023, which includes the requirement to comply with the New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The prospective financial statements comply with NZ FRS 42 and Public Benefit Entity (PBE) accounting standards.

The prospective financial statements will not be further updated after publication.

The prospective financial statements contain information that may not be appropriate for purposes other than those described in the Board Statement on the inside cover.

## Measurement basis

The prospective financial statements have been prepared on a historical cost basis, except where modified by the evaluation of certain items of property, plant and equipment, and the measurement of any derivative financial instruments at fair value.

With the exception of cash flow information which has been prepared on a cash basis, the prospective financial statements have been prepared on the basis of accrual accounting.

## Presentation currency and rounding

The functional and presentation currency is New Zealand dollars. All values are rounded to the nearest thousand dollars (\$000).

## Changes in accounting policies

There have been no changes in accounting policies.

## Significant accounting policies

The following significant accounting policies, which materially affect the measurement of financial performance and financial position, have been applied:

### Revenue

The Authority earns revenue from:

- regulated levies on airlines based on departing international passenger volumes and domestic sectors travelled by passengers
- fees and charges for safety activities
- contracted services for security activities
- interest revenue
- Crown funding through Vote Transport, and
- Ministry contracts (Ministry of Transport for aviation rules development and Ministry of Foreign Affairs and Trade for Pacific Security Fund activity).

Revenue is measured at the fair value of the consideration received or receivable.

### Provision of fee-based services

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

### Interest

Interest revenue is recognised using the effective interest method.

### Crown funding and Ministry contracts

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

## Goods and services tax

All items in the prospective financial statements are presented exclusive of Goods and Services Tax (GST), except 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.

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

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

## Payment of any surplus to the Crown

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 CAA is so exempted.

## Foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars using the exchange rates prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of foreign currency monetary assets and liabilities, are recognised in the Prospective Statement of Comprehensive Revenue and Expense.

## Other financial assets

Financial assets are initially recognised at fair value. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Authority has transferred substantially all the risks and rewards of ownership.

## Financial assets: debtors and other receivables

Debtors and other receivables are non- derivative financial assets with fixed or determinable payments that are not traded in an active market. Debtors and

other receivables are initially recognized at fair value and subsequently carried at amortised cost using the effective interest method. Due to their short term nature, debtors and other receivables are generally carried at amounts approximating amortised cost.

Debtors and other receivables are recorded at the amount due, less an allowance for credit losses. CAA applies the simplified expected credit loss model of recognising lifetime expected credit losses for debtors and other receivables.

In measuring expected credit losses, debtors and other receivables are assessed on a collective basis as they possess shared credit risk characteristics and grouped based on the days past due.

Debtors and other 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.

## Impairment of financial assets

Financial assets are regularly reviewed for objective evidence of impairment. Both provisioned and non-provisioned bad debts are written-off when recovery actions have been unsuccessful and when the likelihood of recovery is considered remote.

## Financial liabilities: creditors and other payables

After initial recognition, financial liabilities measured at amortised cost are carried at amortised cost using the effective interest method.

## Operating leases

CAA 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 in the Prospective Statement of Comprehensive Revenue and Expense as an expense on a straight-line basis over the lease term.

## Cash and cash equivalents

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

## Services work in progress

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

The CAA's services work in progress is measured at the lower of the costs incurred to date for the specific work being undertaken, and 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 Prospective Statement of Comprehensive Revenue and Expense when the write-down occurs.

## Bank deposits

Investments in bank deposits are initially measured at fair value plus transaction costs. After initial recognition, bank deposits are measured at amortised cost using the effective interest method. For bank deposits, impairment is established when there is objective evidence that CAA will not be able to collect amounts due according to the original terms of the deposit. Significant financial difficulties of the bank, probability that the bank will enter into bankruptcy, and default in payments are considered factors that the deposit is impaired.

## Property, plant and equipment

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 CAA and the cost of the item can be measured reliably.

The minimum cost value for a purchase to be classified as a property, plant and equipment asset is \$2,500.

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are included in the Prospective Statement of Comprehensive Revenue and Expense. When re-valued assets are sold, the amounts included in revaluation reserves in respect of these assets are transferred to general funds.

## Subsequent costs

Costs that are 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 CAA 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 Prospective Statement of Comprehensive Revenue and Expense as they're incurred.

## Depreciation

Depreciation is provided for 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:

	Useful life	Depreciation rate
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 years	33%-25%

## Intangible assets

### Software acquisition and development

Acquired computer software licenses and databases are capitalised on the basis of the costs incurred to acquire and bring these to use.

Costs incurred by CAA for the development of software for internal use, other than for the development of software associated with websites, are recognised as an intangible asset where the asset meets the criteria for recognition. Costs recognised include the software development, employee costs and any other directly attributable costs.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software, staff training, and with the development and maintenance of websites, 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 that the asset is de-recognised.

The amortisation charge for each period is recognised in the Prospective Statement of Comprehensive Revenue and Expense.

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

	Useful life	Depreciation rate
Acquired computer software	3-5 years	33%-20%
Developed computer software	3-5 years	33%-20%

## Impairment of property, plant and equipment and intangibles

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

### Non-cash-generating assets

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for indicators of impairment at each financial reporting date and 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 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. For assets carried at historical cost the total impairment loss and any subsequent reversals of impairment are recognised in the Prospective Statement of Comprehensive Revenue and Expense.

## Employee entitlements

### Short-term employee entitlements

Employee entitlements that CAA 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.

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

The discount rate is based on the weighted average of interest rates for Government stock with terms to maturity similar to those of the relevant liabilities.

The inflation factor is based on the expected long-term increase in remuneration for employees.

### Post-employment entitlements

Obligations for the CAA'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 Prospective Statement of Comprehensive Revenue and Expense.

## Provisions

CAA recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) because 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 expenditures 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.

## Equity

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

- General Funds
- Levies reserve relates to the accumulated surpluses/deficits arising from the recovery of costs relating to safety and security activities.

## Cost allocation

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, including indirect depreciation, are allocated to outputs using appropriate cost drivers such as full-time equivalent staff numbers and service utilisation.

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

## Critical accounting estimates, assumptions and judgments

In preparing the prospective financial statements CAA has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results, and the variations may be material. Estimates and assumptions are continually evaluated and are based on historical experience and other factors including expectations of future events, rather than occurring events or transactions, which are believed to be reasonable under the circumstances.

There are no critical accounting estimates and assumptions that will cause material adjustments to the carrying amounts of assets and liabilities within the financial year.

# Additional prospective financial information

## Prospective statement of comprehensive revenue and expenses

For the year ending 30 June.

	Safety		Security		CAA	
	2026 estimated actual \$000	2027 budget \$000	2026 estimated actual \$000	2027 budget \$000	2026 estimated actual \$000	2027 budget \$000
<b>Revenue</b>						
Levies revenue	77,280	73,520	235,162	223,404	312,442	296,924
Revenue from other services	5,792	5,792	1,915	2,205	7,707	7,997
Crown funding revenue	3,337	3,337	105	105	3,442	3,442
Ministry contract revenue	1,847	1,847	–	–	1,847	1,847
Interest and other revenue	855	855	815	525	1,670	1,380
<b>Total revenue</b>	<b>89,111</b>	<b>85,351</b>	<b>237,997</b>	<b>226,239</b>	<b>327,108</b>	<b>311,590</b>
<b>Expenses</b>						
Personnel costs	68,586	78,027	145,227	155,138	213,813	233,165
Other cost of services	2,890	4,773	46,052	47,961	48,942	52,734
Audit fees for financial statements	221	220	–	–	221	220
Finance costs	(2)	–	(27)	–	(29)	–
Depreciation and amortisation expense	4,622	4,681	7,033	7,258	11,655	11,939
Authority member costs	211	220	–	–	211	220
<b>Total Expenses</b>	<b>76,528</b>	<b>87,921</b>	<b>198,285</b>	<b>210,357</b>	<b>274,813</b>	<b>298,278</b>
<b>Net Surplus/(Deficit)</b>	<b>12,583</b>	<b>(2,570)</b>	<b>39,712</b>	<b>15,882</b>	<b>52,295</b>	<b>13,312</b>
<b>Total comprehensive revenue and expenses</b>	<b>12,583</b>	<b>(2,570)</b>	<b>39,712</b>	<b>15,882</b>	<b>52,295</b>	<b>13,312</b>

## Prospective statement of financial position

As at 30 June.

	Safety		Security		CAA	
	2026 estimated actual \$000	2027 budget \$000	2026 estimated actual \$000	2027 budget \$000	2026 estimated actual \$000	2027 budget \$000
<b>Current assets</b>						
Cash and cash equivalents	23,762	24,838	49,139	55,611	72,901	80,449
Debtors and other receivables	8,822	7,042	23,192	18,892	30,529	24,449
Services Work in Progress	278	438	–	–	278	438
<b>Total current assets</b>	<b>32,862</b>	<b>32,318</b>	<b>72,331</b>	<b>74,503</b>	<b>103,708</b>	<b>105,336</b>
<b>Non-current assets</b>						
Property, plant and equipment	4,493	3,858	32,973	49,152	37,466	53,010
Intangible assets	11,926	9,665	179	953	12,105	10,618
<b>Total non-current assets</b>	<b>16,419</b>	<b>13,523</b>	<b>33,152</b>	<b>50,105</b>	<b>49,571</b>	<b>63,628</b>
<b>Total assets</b>	<b>49,281</b>	<b>45,841</b>	<b>105,483</b>	<b>124,608</b>	<b>153,279</b>	<b>168,964</b>
<b>Current liabilities</b>						
Creditors and other payables	4,177	4,700	9,751	11,889	12,443	15,104
Employees entitlements	4,636	5,023	19,081	19,998	23,717	25,021
<b>Total current liabilities</b>	<b>8,813</b>	<b>9,723</b>	<b>28,832</b>	<b>31,887</b>	<b>36,160</b>	<b>40,125</b>
<b>Non-current liabilities</b>						
Employees entitlements	500	500	6,512	6,700	7,012	7,200
Provisions	275	275	100	100	375	375
<b>Total non-current liabilities</b>	<b>775</b>	<b>775</b>	<b>6,612</b>	<b>6,800</b>	<b>7,387</b>	<b>7,575</b>
<b>Total liabilities</b>	<b>9,588</b>	<b>10,498</b>	<b>35,444</b>	<b>38,687</b>	<b>43,547</b>	<b>47,700</b>
<b>NET ASSETS</b>	<b>39,693</b>	<b>35,343</b>	<b>70,039</b>	<b>85,921</b>	<b>109,732</b>	<b>121,264</b>
<b>Equity</b>						
General funds	27,110	27,110	30,327	30,327	57,437	57,437
Levy reserve	12,583	8,233	39,712	55,594	52,295	63,827
<b>Total equity</b>	<b>39,693</b>	<b>35,343</b>	<b>70,039</b>	<b>85,921</b>	<b>109,732</b>	<b>121,164</b>

## Prospective statement of changes in equity

For the year ending 30 June.

	Safety		Security		CAA	
	2026 estimated actual \$000	2027 budget \$000	2026 estimated actual \$000	2027 budget \$000	2026 estimated actual \$000	2027 budget \$000
<b>EQUITY</b>						
<b>Opening balance of equity at 1 July</b>						
General funds	19,110	27,110	18,327	30,327	37,437	57,437
Levy reserve	–	12,583	–	39,712	–	52,295
<b>Total opening balance of equity at 1 July</b>	<b>19,110</b>	<b>39,693</b>	<b>18,327</b>	<b>70,039</b>	<b>37,437</b>	<b>109,732</b>
Total comprehensive revenue and expense	12,583	(2,570)	39,712	15,882	52,295	13,312
Transfer to/(from) levy reserve	12,583	(4,350)	39,712	15,882	52,295	11,532
Transfer from general funds	(12,583)	2,570	(39,712)	(15,882)	(52,295)	(13,312)
Capital Contribution from Crown	8,000	–	12,000	–	20,000	–
<b>Total changes in equity during the year</b>	<b>20,583</b>	<b>(4,350)</b>	<b>51,712</b>	<b>15,882</b>	<b>72,295</b>	<b>11,532</b>
<b>Closing balance of equity at 1 July</b>						
General Funds	27,110	27,110	30,327	30,327	57,437	57,437
Levy reserve	12,583	8,233	39,712	55,594	52,295	63,827
<b>Total closing balance of equity at 30 June</b>	<b>39,693</b>	<b>35,343</b>	<b>70,039</b>	<b>85,921</b>	<b>109,732</b>	<b>121,264</b>

## Prospective statement of cash flows

For the year ending 30 June.

	Safety		Security		CAA	
	2026 estimated actual \$000	2027 budget \$000	2026 estimated actual \$000	2027 budget \$000	2026 estimated actual \$000	2027 budget \$000
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>						
<b>Cash was provided from:</b>						
Receipts from Levies	73,773	74,088	227,247	222,042	301,020	296,130
Receipts from fixed fees, charges and other services	4,915	6,116	–	(194)	4,915	5,922
Receipts from Crown funding and Ministry contracts	5,184	5,184	105	105	5,289	5,289
Interest received	240	272	525	719	765	991
Receipts from other income	615	615	1,788	1,788	2,403	2,403
<b>Total</b>	<b>84,727</b>	<b>86,275</b>	<b>229,665</b>	<b>224,460</b>	<b>314,392</b>	<b>310,735</b>
<b>Cash was applied to:</b>						
Payments to employees	(63,064)	(67,035)	(143,948)	(143,033)	(207,012)	(210,068)
Payments to suppliers	(10,691)	(15,621)	(40,335)	(46,731)	(51,026)	(62,352)
Goods and Services Tax (net)	(1,102)	(758)	(4,146)	(4,097)	(5,248)	(4,855)
<b>Total</b>	<b>(74,857)</b>	<b>(83,414)</b>	<b>(188,429)</b>	<b>(193,861)</b>	<b>(263,286)</b>	<b>(277,275)</b>
<b>Net Cash Flows from Operating Activities</b>	<b>9,870</b>	<b>2,861</b>	<b>41,236</b>	<b>30,599</b>	<b>51,106</b>	<b>33,460</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Cash was applied to:</b>						
Purchase of property plant and equipment	(615)	(4)	(10,904)	(23,258)	(11,519)	(23,262)
Purchase of intangible assets	(1,458)	(1,781)	(70)	(869)	(1,528)	(2,650)
<b>Total</b>	<b>(2,073)</b>	<b>(1,785)</b>	<b>(10,974)</b>	<b>(24,127)</b>	<b>(13,047)</b>	<b>(25,912)</b>
<b>Net Cash Flows from Investing Activities</b>	<b>(2,073)</b>	<b>(1,785)</b>	<b>(10,974)</b>	<b>(24,127)</b>	<b>(13,047)</b>	<b>(25,912)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Cash was provided from:</b>						
Capital Injection from Crown	8,000	–	12,000	–	20,000	–
<b>Total</b>	<b>8,000</b>	<b>–</b>	<b>12,000</b>	<b>–</b>	<b>20,000</b>	<b>–</b>
<b>Net Cash Flows from Financing Activities</b>	<b>8,000</b>	<b>–</b>	<b>12,000</b>	<b>–</b>	<b>20,000</b>	<b>–</b>
Net increase in cash and cash equivalents	15,797	1,076	42,262	6,472	58,059	7,548
<b>Opening Cash And Cash Equivalents as at 1 July</b>	<b>7,965</b>	<b>23,762</b>	<b>6,877</b>	<b>49,139</b>	<b>14,842</b>	<b>72,901</b>
<b>Closing Cash And Cash Equivalents as at 30 June</b>	<b>23,762</b>	<b>24,838</b>	<b>49,139</b>	<b>55,611</b>	<b>72,901</b>	<b>80,449</b>

## Prospective capital expenditure

For the year ending 30 June.

	Safety		Security	
	2026 estimated actual \$000	2027 budget \$000	2026 estimated actual \$000	2027 budget \$000
<b>Capital expenditure</b>				
Computer hardware	615	4	–	790
Computer software	1,458	1,781	70	869
Plant & equipment	–	–	10,236	22,028
Furniture & fittings	–	–	668	440
<b>Total</b>	<b>2,073</b>	<b>1,785</b>	<b>10,974</b>	<b>24,127</b>







Civil Aviation Authority of New Zealand

Level 15, Datacom Centre, 55 Featherston Street, Pipitea, Wellington 6011

PO Box 3555, Wellington 6140, New Zealand