

Sector Risk Profiling

What is it to aviation in New Zealand?

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Introduction

Sector Risk Profiling uses quantitative and qualitative methods to capture the knowledge, experience and perceptions of key stakeholders within a particular sector; about the underlying influences on safety within that particular sector.

What is a sector risk profile?

A Sector Risk Profile (SRP) attempts to produce a picture of the risks likely to be impacting a group of related aviation products and services, organisations or activities. While rule parts or certificate types can be used as a guide, the sector in focus is not restricted to these. A SRP is always forward-looking and collaborative in nature.

Why am I reading this?

We want all SRP projects to be collaborative between all stakeholders, where industry and CAA become one SRP team. Our approach recognises the vital importance of engaging well with the sector. After all, this is their sector risk profile – they need to own it, manage it and buy into it.

The sector risk profiling method is thus based around capturing the knowledge, experience, and perceptions, of as many stakeholders as possible from within the sector. The resulting mix of fact and opinion is combined with evidential data, such as industry studies and demographics, to give the most comprehensive and accurate profile possible.

How can I use it?

The purpose of sector risk profiling is to support aviation participants to manage their risks, thereby reducing overall accident and incident rates and costs to the aviation sector. This will also provide public assurance around the safety of the aviation system and impact positively on the overall trust in New Zealand’s aviation safety.

An effective SRP will also inform the CAA about where it should focus its regulatory activity and inform operators about where they should focus their SMS response and resources.

What will it look like?

Sector Risk Profiles are intended to identify and present clear risk statements that apply to the sector and determine what the sector can do to minimise that risk.

What should it achieve?

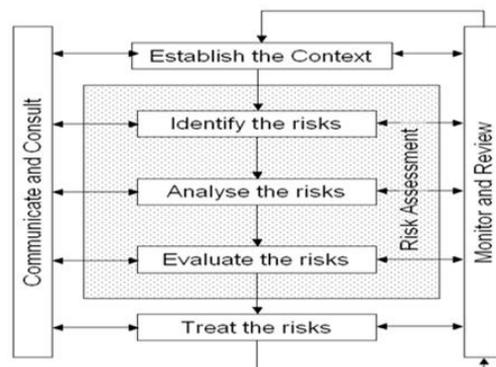
The sector risk profile aims to:

- Identify emerging strategic and operational risks that are likely to affect the sectors, recognising that risks are managed by the sector participants and regulated by the CAA;
- Drive continuous improvement of safety benefits within the sectors.
- Managing risk reduces uncertainty associated with safety and business performance and gives the CAA and the sector greater freedom to plan and use resources for innovation and measured risk management.

What is the process?

The sector risk profile follows a basic process:

- Define sector and activity
- Gather data from as many sources as possible, including historical data, surveys, and local and international safety information.
- Workshop with Stakeholders to define risks
- Refine risk statements and look for potential actions
- Develop treatment strategies for minimising the likelihood, the consequences, or both.
- Publish the ‘sector risk profile’ which contains risks and actions, ownership of actions, a timeline and an action plan with review process set.
- Monitor and review both the risks and the actions.



A SRP is continuous and ongoing. Following the publishing of the risk profile it becomes an ongoing



safety management cycle with the intention of incremental improvements to safety in the sector.

Where did SRP come from?

National Aviation Authorities (NAAs) are introducing a new approach to overseeing and improving aviation safety known as **Performance Based Regulation (PBR)**.

PBR is changing the way an NAA carries out its oversight, and how it collects, analyses and uses safety risk information.

The idea that regulators should gather more and better information about safety risks and use it to prioritise activity is well established.

The five objectives of the PBR approach are to:

- Gather and analyse safety risk information about all parts of an organisation’s operation in a joined up way – the entity approach.
- Agree on actions needed to improve safety and uphold standards with each entity’s ‘Accountable Manager’.
- Create a better understanding of the top risks facing major aviation sectors and the performance of industry to manage them.
- Make informed decisions about which safety outcomes the Regulator & Industry should focus on and steps to achieve them.
- Allocate regulatory resources proportionately to the areas of activity with greatest potential to enhance aviation safety.

How does the SRP fit with SMS?

The SRP looks at high level risks that may affect multiple stakeholders, including emerging risks. The risk statements and treatments for the sector can be used by operational stakeholders to inform their operation-specific SMS plans

How will SRPs be used?

The greatest value of a sector risk profile is derived when participants, including the CAA, read the statements, decide which ones apply to their organisation and then determine what they can do to minimise that risk. By addressing individual elements of risk within a sector, the overall accident rate and costs to the sector can be reduced. Sector risk profiles also help to inform the CAA where to target its activity and resources.

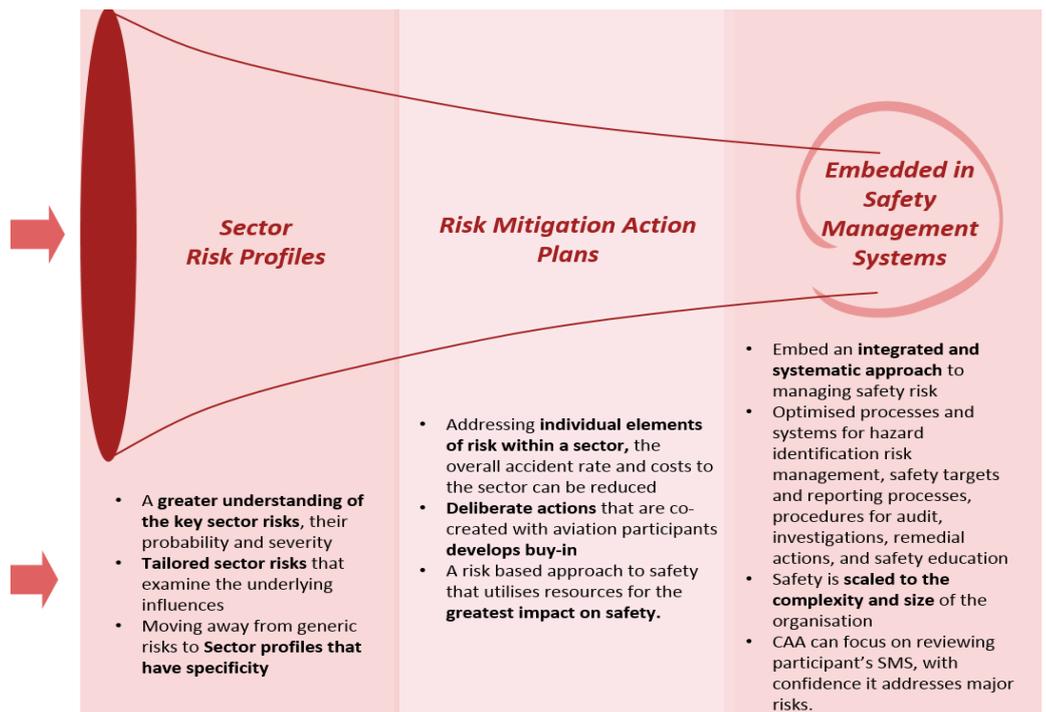
What do I need to do as a stakeholder?

Sector risk profiling acknowledges that the stakeholders within a sector are best placed to evaluate the risks they face. Your engagement with the CAA through the SRP process, including completing surveys, attending workshops, and providing feedback, will enable the SRP to achieve its objectives.

What will the CAA do?

The CAA will facilitate the sector risk profile process and actively engage with participants to establish the risks to a given sector.

This may include engaging external consultants to assist with identifying risks, and risk treatments.





THE CURRENT FOCUS IS: HELICOPTER AND SMALL AEROPLANE OPERATIONS

Stakeholders in this sector

The key stakeholders in this sector include:

- Certificate holders: operating under Part 135.
- Maintenance providers
- Pilots (including NZALPA reps)
- Airways
- Aerodromes
- CAA
- Industry Representative Groups e.g. NZHA
- Institutional clients e.g. DOC, NASO

What is the objective of this profile?

The objective of this sector risk profile is to identify opportunities for safety improvements in the Part 135 Air Operations - helicopter and small aeroplane sector. The previous SRP will be updated, including follow up of risk treatments implemented, and treatments to be actioned.

What is the focus of this profile follow up?

Previous profiling of the sector has identified 17 areas of key or emerging risks to aviation safety:

- Pressure to fly in challenging conditions or circumstances
- Fatigue tolerance
- Voicing / just culture
- Complacency among some management and senior pilots
- Cost-driven operational decisions
- Some institutional clients
- Communication and operational awareness
- Not all operators are providing sufficient resources to support development of pilots

- High pilot out-flux to airlines in the fixed-wing sub-sector and to overseas oil/gas/EMS jobs for the helicopter sub-sector
- Audit consistency
- Focus of audits
- Occasional cases of poor passenger behaviour
- Lack of standards in some sub-sectors
- Relationship, communication and engagement with the sector
- Rules clarity and relevance
- Where available, user groups help to set and implement standards
- Chief pilot role not defined and regulated

These areas will provide a guide for the risk profiling discussion during the workshops. Specific new or updated risks, identified in the pre workshop survey, will be further discussed and tested with workshop participants.

Workshop Principles

A Workshop Environment will be established that operates by the following principles:

- Open and honest communication
- Listen to others
- Respect
- Trust

Deliverables

The objective of the Part 135 Air Operations - helicopter and small aeroplane SRP follow up is to deliver the following:

- Updated risk profile including the risk description, risk rating, and agreed risk treatments.
- Ongoing engagement and risk profile management between the CAA and the sector stakeholders.

What is the process for this SRP?

