

# Agenda of the 44<sup>th</sup> Joint Meeting of the Civil Aviation Authority and the Aviation Community Advisory Group

<b>Date:</b>	Friday 18 <sup>th</sup> December 2020
<b>Venue:</b>	Level 15, Asteron Centre, 55 Featherston Street, Wellington
<b>Attendees:</b>	<u>ACAG</u> : Beck Longbottom, Bruce Robertson, Chris Jackson, Frank Usmar, John Cook, John Nicholson, Katie Bhreatnach, Kevin Ward, Lachlan Thurston, Paul Drake, Steve Horne, Steve Kelly  <u>CAA</u> : Charmaine Ngarimu, Dean Winter, Helen Robertson, John Kay, Mark von Motschelnitz, Mike Hill, Shelley Turner  <u>MoT</u> : Tom Forster

## 1. **Welcome**

The meeting opened at 1pm

## 2. **Apologies:** Cathy Robinson, Ian Andrews, Kirstie Hewlett, Peter Mee, Qwilton Biel, and Rob George.

## 3. **Minutes of Previous Meetings**

43<sup>rd</sup> Joint Meeting of CAA and ACAG held July 7th, 2020.

Agreed

## 4. **Matters Arising**

Agreed

## 5. **Update from the Ministry of Transport – Tom Forster**

### Aviation recovery strategy and Related funding matters

MOT's focus since Covid-19 was to maintain Domestic and International Connectivity. There have been a number of schemes in place including Aviation related packages that the Government established in March this year.

Tom explained that a new scheme was introduced called Essential Transport Connectivity which supported connectivity domestically. Some operators benefiting from that include, Air Chathams and Sounds Air.

The International Air Freight Capacity Scheme has been another scheme the MOT has been working on to ensure essential imports and exports are still made available. The scheme was initially put in place for 6 months but there are extensions for some of these. This includes relief from passenger-based charges and Airways fees which will continue until the end of

December 2020 as well as the International Air Freight Capacity Scheme which will continue until 31 March 2021.

MOT intend to engage with the aviation sector and stakeholders in early 2021 to find out what issues they are facing, and what a response could be. This engagement will assist the MOT to develop a plan and strategy to put forward to the government, likely to commence in February 2021.

MOT expect vaccines to be ready in 2021 although border restrictions are likely to be in place for some time to come.

The Civil Aviation Bill (CAB): MOT is finalising. The plan is to have the CAB introduced by the end of the 1<sup>st</sup> quarter 2021. This will provide another opportunity for those interested to comment during the upcoming Select Committee process.

Work on drones: MoT are nearly in a position to consult on some policy proposals. Cabinet approval is required prior to being able to consult. Hopefully, consultation could commence in March. However, Tom did note that he is aware that the Cabinet have oversubscribed for February, so everything will depend on how the papers will be prioritised. Consultation will occur for a 6-week period.

Steve Kelly then asked about the programme relating to vaccines asking if MOT has been doing much work in the cold chain transportation industry. Tom confirmed that this is something that will be looked at during the New Year by the Ministry of Health.

John Nicholson mentioned his interest in the Aviation Recovery Strategy and how Aviation New Zealand had put forward a lot of information to the Government around pilot training. He said the suggestions have been knocked back again and he does not believe decisions are being made based on facts. John asked if MoT are gaining any guidance from the Ministers as to what they expect. Tom responded by saying that there are a number of departments that will be impacted, and not only aviation. Tom mentioned how there are several training issues and also the issue around managed isolation to consider. Tom confirmed that although MOT can contribute to decisions, the overall decisions sit outside of aviation.

John Nicholson continued to say how the Government has not acknowledged any of the facts and appear to be focused emotively. However, Tom disagreed stating there have been many things happening within the aviation front and the Government has listened to the input provided by airlines and airports. Tom added how this can be seen by the number of changes being made on a weekly basis. Tom confirmed how there are some things which MOT does not control and how at present, the focus is mainly to do with the border, health and immigration.

## **6. Acting Director's Update – Shelley Turner**

Shelley explained how this will be her last meeting as Acting Director of the CAA and appreciates all the engagement she has had with ACAG over the last 9 months.

Shelley then briefly spoke about what has occurred in the last year. Shelley explained how the CAA were part way through our restructure into the regulatory part of the organisation which caused enormous uncertainty for our staff and for the sector as COVID-19 arrived in New Zealand. The CAA was also in the middle of the Ministerial Review into organisational culture awaiting outcomes during May while in lockdown. The CAA was also progressing our Pricing Review which examined our fees, levies and charges. This was later abandoned.

In addition, the CAA was also working towards a number of rule packages including the ADS-B rule (that has since been signed) and the PPL Medical reform which for many has been frustrating. Shelley was pleased to add that the Summary of Submissions for PPL Medical will go live on the website by close of business Friday, 18<sup>th</sup> December 2020.

In the Ministerial Review into the CAA's organisational culture, it was advised that 31 recommendations be implemented. This required the organisation as a whole to change our culture and ways of working. Shelley acknowledged how culture changes do take time, however 6 months' later, we have set up a Culture Change Programme, an update will be released to CAA staff as well as our stakeholders in January. This will provide the progress to date. Shelley also mentioned how the culture change programme has been a slight distraction for all, some feedback received has been that we have been too internally focused, but it is important Shelley noted that we get this right. We have a legal and moral obligation to our staff that we look after our people and any issue of bullying and harassment needs to be well managed in every workplace.

As part of the Culture Change Programme, Shelley identified how one of the most important things we have done is to talk to our staff about our values. This is a way for us to set clear expectations as to how our staff interact with each other and how our staff interact with our stakeholders.

#### Authority funding

Shelley explained how the Authority Pricing Review was stopped as part of the Aviation Relief Package and how the CAA worked to secure Emergency Equity Funding from the Government in June. In addition, the CAA launched our Capability, Capacity and Cost Review (CAPCO) which meant we had to look very carefully at reducing costs immediately to the Crown. Overall, the CAA has generated savings of \$1.5 million dollars for the past financial year and a further \$4 million for this current year. The CAA is now looking at how we can further reduce costs by looking at the processes we have in place.

In relation to our costs, the CAA undertook a Value for Money (VfM) Assessment with Price Waterhouse Coopers (PwC). The report has been received, advising the CAA to focus on 3 main areas. One area is that the CAA need reliable, modern technology systems – this is something the CAA were already working towards however, when Covid struck those changes were not able to be implemented. The CAA has had to go back to seek further funding for this project.

Another area PwC advised the CAA to focus on, was to modernise our operational framework policies and guidance. Shelley added this also was not news to us and is something John Kay's team has been working on since the new structure was established and is progressing.

Thirdly, the PwC report outlined that we need to strike a better balance with the capability we have in house. For example, we have plenty of aviation specialists, some regulatory specialists, however we require a better mix of people with change management experience. Shelley confirmed that the CAA must ensure that this mix is at every level of leadership throughout the Authority.

Overall, PwC acknowledged that the CAA are a small regulatory organisation in need of greater investment.

#### New Minister of Transport

Shelley noted that the CAA has engaged with the new Minister of Transport. There was a meeting between the Board Chairman Janice Fredric, Shelley and the new Minister. Discussions revolved around the funding issues (within both CAA and Avsec), regulatory challenges and the Culture Change Programme.

Shelley expressed how it had been a positive meeting with the new Minister, and that he was mindful of the challenges we have ahead of us and how he supports the direction we are moving to.

#### The Authority's stakeholder and engagement approach

Shelley noted that the new Minister has agreed that our culture changes will continue and need to be sustained.

Janice Fredric and Shelley also spoke about how in the previous months the CAA has been trying to have a more effective relationship with our wide range of stakeholders and this is something the Minister is supportive of.

Over the last 9 months, Shelley thinks about the new ways we have worked together and how this has been a fresh approach. Shelley stated she is thankful for ACAG's frank and constructive feedback to the CAA. Shelley then provided an example of CAA and ACAG working together positively, she pointed out how John Nicholson was involved in the interview panel when the CAA were hiring the new Manager of Certification.

Shelley explained how the CAA will welcome Keith Manch as the new Director of Civil Aviation 1 February 2021– and how he brings a lot of regulatory experience and how he will further lead the changes and improvements to put in place for our organisation.

## **7. General Business**

### Introduction to Charmaine Ngarimu, the new Manager of Engagement & Communications

Charmaine introduced herself. Charmaine noted that during the CAA restructure, the Communications team has become Engagement & Communications, with a key focus on the dealings with our stakeholders. She explained that within her team, the Stakeholder & Engagement strategy team are planning on how to better engage. The main tasks will be to get out there and find out how we should engage with one another. Charmaine suggested she is available for any feedback.

### Dean Winter – update from Aviation Safety Group

Dean described how the Aviation Safety Group was one of the most affected groups from the organisational design review. It moved from a sector-based structure to a functional based structure which offers many advantages.

The group is now working more efficiently, sharing resources, and working with other teams that bring in different skill sets. The Aviation Safety group has essentially moved away from that silo and prescriptive approach. Dean explained how there has been some important work which has been happening including a continuation of some of the analysis work we have been doing throughout COVID-19. There is now a new Investigations and Response team, which is working very well. Instead of having Health & Safety regulation and a Safety team separated, they are now within one group. This allows the team to better utilise those skill sets.

In addition to the new Investigations and Response team, Dean explained there is also a new Aviation Response and Concerns team (ARC team). Their job is to take pressure off other teams and prioritise who should work on what in the short term. The CAA are also making better use of our Aviation Safety Advisors, who are now under the Licensing team.

Dean explained how he has also been working alongside DCE Cathy Robinson looking for ways to improve the service CAA offer. This includes understanding which work should be delegated to whom and what processes should be in place to complete those workloads assigned to staff.

Dean noted that the Monitoring team is almost fully staffed. They will focus on strategic based work, including understanding the post-COVID environment and what impacts this has had on the sector.

Steve Kelly then asked if a briefing could be provided to the industry on the CAA's new structure. Steve explained how it would be helpful to understand who within the new structure is focusing on what, as an example he asked about ARC responses. Dean agreed to provide information regarding the changes that have been made within the Aviation Safety group.

*Action: CAA to provide the industry with information about the CAA's new structure.*

Steve Kelly also commented about the information system, which currently creates grief when having to communicate with foreign operators and national authorities. Steve wanted to know if John Kay had an idea about how close the change is taking place as it is a critical piece of infrastructure from ACAG's view. John Kay responded by saying that currently the CAA are unable to provide an answer. CAA are seeking funding and are awaiting advice from the Government.

#### Activities in relation to Whakaari/White Island

CAA staff have been to Whakatane and there have engaged with all the affected operators. They are appreciative of our proactive approach. The operators spoke about initiating activities to the island again, although this was prior to the announcement which came out of Worksafe. Dean said that overall, it was a good approach to show how we are working towards a top-down approach—which is what we are trying to move towards as much as possible

#### America's Cup

Dean explained that work is in progress relating to the airspace issues. He said it seems like a happy medium at the moment, with helicopters at the lower levels and, fixed winged at higher levels. Dean pointed out how there are several CAA staff in Auckland who are working with the Police, on and off the water. They are directly looking for drone users and any offences. The CAA has taken an educational approach and are utilising the media (including social media).

#### Introduction to Mike Hill, Acting Deputy Chief Executive of Aviation Security & Infrastructure

Mike Hill explained how he is the new acting DCE of Aviation Security & Infrastructure for 6 months while Chris Ford has been seconded to DPMC.

#### Airways services at regional airports - update on process

Mike explained how Airways has proposed to withdraw services at 7 regional airports due to cost pressures. Mike stated that in order to be certificated under Part 139, there is an obligation to conduct and review an aeronautical study if there is a significant change in conditions. These aeronautical studies are currently underway.

Once the aeronautical studies are received, they must go through the CAA's own risk-assessment process to be able to make a recommendation to the Director. To date one aeronautical study has been received and is currently being assessed.

Paul Drake asked if Mike had seen the email he received from Talia in the legal team at the CAA. Paul explained he had had direct contact from the CEO at Airways, and he had provided the discussion to the CAA. Mike confirmed that all feedback has been received, however everything is required to follow a particular process.

### **8. ACAG's Terms of Reference – John Kay**

John Kay explained that the changes to ACAG's Terms of Reference propose two contexts; how ACAG can provide technical insight, and how ACAG can provide input on strategic matters. Regarding technical insight, John explained that this focuses on the various rules and policy initiatives, whereas the strategic insight focuses on a more orchestrated way on providing expertise. For example, this may involve ACAG and the CAA meeting once or twice per year to have a conversation about where we think things are going. This in turn would be an opportunity for gaining feedback from the sector on specific items.

Paul Drake said that from ACAG's point of view, everyone is comfortable with the current and original ToR but if there are changes ACAG would like to not only offer suggestions but also provide support.

Paul Drake also asked how many meetings they are suggesting on having per year. In response John Kay pointed out that the proposal would replace the current format. A twice-yearly meeting would be arranged to focus on strategic issues, and then as appropriate, a person from ACAG would be invited to the scoping phase of a policy project to provide sector subject matter expertise. For instance, if the CAA were reviewing Rule Part 102, an appropriate ACAG representative would be invited to join the project scoping discussion. John invited feedback on the proposal.

Steve Kelly explained how one of the challenges ACAG had was when dealing with the issue assessment process for the Issue Assessment panel meetings. Steve Kelly said often the paper arrives to ACAG too late, it bounces around the team and then Paul coordinates those responses. Often the response from various members could be a 'no comment' or from someone without particular knowledge on the subject. Steve Kelly said it is hard to predict who has the technical knowledge in a particular area and he is not sure that the members are coming together in the most effective way currently.

Steve Kelly continued to say that if the information is coming in at the same point, his only concern is how there can be a process to determine who needs to be involved and how we gain the broader knowledge of all involved.

Mark von Motschelnitz pointed out that there is a slight disconnect between working groups. He said ACAG do not currently have access to those technical people within the organisation however the new ToR could provide a way to link that knowledge with those working groups. Mark also added how this type of relationship would not require setting up an ACAG meeting but could be on an ad-hoc basis. This is where the CAA are looking at ACAG to be able to identify who the appropriate people would be to provide that technical knowledge.

Beck Longbottom noted that when it comes to requiring a person from ACAG with a specific skillset, it should be possible for ACAG to discuss this amongst themselves and nominate who has that knowledge back to the CAA. Steve Horne suggested that an idea for finding the ideal skillset from the ACAG members could be that a couple of test cases are provided asking ACAG to nominate those with relevant skillsets. Steve Kelly concurred, asking if a trial period could be the option to determine its effectiveness.

ACAG's involvement in the Issue Assessment process would remain unchanged.

Regarding changing the ACAG meetings to be strategically focused, Steve Kelly agreed this would be valuable. In addition, he thanked Helen Robertson for providing context around specific issue assessments at the prioritisation session (the previous day). It was important to understand the process a submission goes through before it is reviewed by ACAG. John Nicholson also appreciated the discussion about electric aircrafts which is another example of what is emerging in aviation.

Helen commented that further processes are being updated within the policy team, she explained how the current template that is used to submit an issue assessment will be updated so it is clearer for the submitter to enter information and clearer for the policy advisors to provide a concise regulatory assessment. Steve Kelly suggested that when issue assessments are sent to ACAG, it would be useful to be provided with more context around that issue. It was agreed that this would be a way for ACAG members to provide a more effective response.

Furthermore, Steve Kelly suggested how those strategic meetings should also focus on future issues, he said this would provide the aviation community great value. John Kay confirmed that for the CAA to fulfil our components of the regulatory stewardship role we hold in the organisation and offer to the Ministry; that long-term view is critical. The only challenge would be for us to lift our sights away from the immediately obvious and make sure we are focusing on those of value.

It was decided that a trial for ACAG should be organised prior to confirming the new ToR. John Kay mentioned, the CAA policy team could provide ACAG with a few examples of policy projects that might benefit from ACAG involvement at the scoping stage. The context and what the CAA are wishing to achieve will be communicated to ACAG. ACAG can then nominate members to be part of providing technical advice back to the CAA. John Nicholson explained how the technical expert might not be a member of ACAG but someone important for a certain engagement matter. CAA is open to that.

*Action: ACAG to provide any further feedback on the proposed TOR.*

*Action: CAA to provide list of possible projects that ACAG could help scope.*

## **9. Policy Project Update – Helen Robertson**

The policy project update report was considered. Helen Robertson also thanked everyone for attending the prioritisation session yesterday adding how it was very constructive.

*Action: CAA to update and provide ACAG with the updated Issue Assessment prioritisation report.*

## **10. General Business**

Paul Drake mentioned how he is aware that both CAA and ACAG have been very busy throughout the year, however Paul requested about ACAG being provided with more time when it comes to providing feedback for issue assessments and documents. John Kay said he understands the pressures of timing and where possible the CAA will be able to.

Paul Drake also spoke about the confidentiality element, and the CAA policy to provide ACAG with information if anything has changed. John Kay confirmed that whilst ACAG are here, everyone is subject to the public service code of conduct – available on the Public Services website: <https://www.publicservice.govt.nz/resources/code/> which basically states that information ACAG see is privileged.

### 5G safety concerns – John Kay

There is evidence in Europe and in some parts of the US where certain parts of the 5G spectrum interfere with certain navigation systems of some aircrafts. The CAA are keeping a close eye on this and the good thing is it is a global problem and not just New Zealand's alone. MBIE are also aware of this problem. New Zealand are keeping a close eye on what is happening in Europe.

### ACAG changes

John Cook then announced how he has handed in his resignation as of today. He thanked everyone for providing interest in his life and after 50 odd years has decided to leave the industry. John Kay thanked John Cook adding that he was always able to ask the hard questions which no one else did.

Steve Kelly also added that both John Cook and Ian Andrews have retired from ACAG. The ACAG membership wishes to formally acknowledge the significant input and energy that they have brought to ACAG.

## **11. Next Meeting – 15 March 2021 (TBC)**

Meeting closed at 3pm

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**Matters arising from the 18<sup>th</sup> December 2020 meeting:**

- **Action 1:** *Charmaine to provide the industry with information about the CAA's new structure.*

*Charmaine to provide an update at the next meeting*

- **Action 2:** *ACAG to provide any further feedback on the proposed TOR.*

*Held over – ToR not progressed*

- **Action 3:** *Helen to provide list of possible projects that ACAG could help scope.*

- *Part 171/172 review*
- *Part 139 – alignment with ICAO*
- *Part 21 review*

*Helen will provide further information at the next meeting*

- **Action 4:** *Helen to update and provide ACAG with the updated Issue Assessment prioritisation report.*

*Sent updated report with agenda for March meeting*