

Proactive Release

This document is proactively released by the Ministry of Transport Te Manatū Waka.

Some information has been withheld on the basis that it would not, if requested under the Official Information Act 1982 (OIA), be released. Where that is the case, the relevant section of the OIA has been noted and no public interest has been identified that would outweigh the reasons for withholding it.

Grounds relied upon are:

<u>Section</u>	<u>Description of ground</u>
9(2)(a)	to protect the privacy of natural persons
9(2)(f)(iv)	to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials

Note that this release excludes a number of attachments to each document which are not included in this proactive release because they are already publicly available as part of the first round of public consultation material, which is available on the Maritime New Zealand website: <https://www.maritimenz.govt.nz/public/consultation/dce-40-series-package-1/>

These documents include the interim Regulatory Impact Statement, Invitation to Comment, proposal summaries and proposed rules and maritime transport instruments.

For the avoidance of doubt—the Ministry of Transport and Maritime New Zealand originally prepared draft Cabinet material on the basis that the Associate Minister of Transport would separately consider and approve the most technical material. Two cover briefings were drafted on this basis. The Associate Minister later decided to take a single paper to Cabinet with all consultation material, and the final Cabinet paper reflects this decision.

Office of the Acting Minister of Transport
Chair, Cabinet Legislation Committee

**CIVIL AVIATION CHARGES REGULATIONS (NO 2) 1991
AMENDMENT REGULATIONS 2025 AND THE CIVIL AVIATION
(SAFETY AND SECURITY) LEVIES AMENDMENT ORDER (NO 2)
2025**

Proposal

- 1 This paper seeks authorisation to submit the Civil Aviation Charges Regulations (No 2) 1991 Amendment Regulations 2025 (the amendment Regulations) and the Civil Aviation (Safety and Security) Levies Amendment Order (No 2) 2025 (the amendment Order) to the Executive Council.

Policy

- 2 The Civil Aviation Authority (the Authority) is the Crown entity responsible for regulating the civil aviation system. In December 2024, Cabinet agreed to the Authority's proposal to increase revenue for its regulatory functions through [CAB-24-MIN-0504.01 refers]:
 - 2.1 a 145 percent increase in passenger safety levies; and
 - 2.2 a 10 percent increase to other levies, fees and charges.
- 3 Cabinet also agreed to the Authority's proposal to increase Aviation Security Service (Avsec)-related revenue through:
 - 3.1 a 66 percent increase in the domestic passenger security levy; and
 - 3.2 a 70 percent increase in the international passenger security levy.
- 4 The amendment Regulations and amendment Order give effect to the decisions above. However, despite Cabinet agreement to increase safety fees and charges by 10 percent, I seek agreement for the following fees and charges to be excluded from this 10 percent increase for the following reasons:
 - 4.1 Fees for applications for Airport Identity Cards (of \$62.45) and temporary Airport Identity Cards (of \$7.95) under clause 10A of the Civil Aviation Charges Regulations (No 2) 1991 (the principal Regulations) were excluded from the scope of the pricing review and were not consulted on.
 - 4.2 Revenue from airport charges payable by international operators (of \$7.60 per 1,000 kg gross weight of the aircraft) under clause 16(1) of the principal Regulations, are not administered by the Authority and were excluded from the scope of the pricing review.

- 5 The reference in recommendation 3.1 of the Civil Aviation Authority Pricing Review [CAB-24-MIN-0504.01 refers] to 'passenger safety levies' is intended to refer to 'domestic passenger levies' and 'departing international passenger levies', as in clauses 5 and 9 respectively of the Civil Aviation (Safety and Security) Levies Order 2002 (the principal Order).
- 6 I intend to seek further adjustments to levies as the Authority identifies efficiencies, which will require subsequent amendment Orders in Council.

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- 8 The agreed changes to levies in the amendment Order are as follows:

Levy type	Current levy	New levy	Percentage change
Passenger levies payable by domestic operators – clause 5	\$1.60	\$3.92	145% increase
Passenger levies payable by Australian AOC with ANZA privileges – clause 5A	\$1.57	\$3.85	145% increase
Passenger levies payable by international operators – clause 9(1)	\$1.60	\$3.92	145% increase
Domestic Passenger Security Levy – clause 10E	\$6.57	\$10.91	66% increase
International Passenger Security Levy – clause 10G	\$13.12	\$22.30	70% increase

- 9 A schedule of the levies, fees and charges that are to be increased by 10 percent is set out in **Appendix 1**. All rates of levy set by the amendment Order are exclusive of GST, as prescribed by clause 12 of the principal Order. All fees and charges set by the amendment Regulations are inclusive of GST, as prescribed by clause 33 of the principal Regulations.
- 10 The justification for the new levies, fees and charges is to allow the Authority to increase its revenue to fund its regulatory activities, including the activities of AvSec.

Improving the Authority's financial management

- 11 Both my predecessor and I have taken steps to improve the financial management of the Authority.
- 12 The former Minister refreshed the Board, set clear expectations about fiscal sustainability, and drove the Authority to identify efficiencies, which has enabled modest reductions to the rates of these user charges compared to those consulted upon.

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- 15 I will continue to closely monitor the performance of the Authority and pursue actions to ensure it is focused on value for money and delivering better outcomes for travellers as a priority. These user charges increases are needed at this time, but I expect the Authority to continue to pursue efficiencies to enable any resulting savings to be returned to industry and the public through reduced user charges.
- 16 After the Plan is completed, the Authority will conduct a 'first principles' funding review which examines whether the Authority's operating model is efficient, effective, transparent and fit-for-purpose.

Timing and 28-day rule

- 17 The amendment Regulations and the amendment Order will come into force on 1 July 2025.

Compliance

- 18 The amendment Regulations and the amendment Order comply with each of the following:
- 18.1 the principles of the Treaty of Waitangi;
 - 18.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993;
 - 18.3 the principles and guidelines set out in the Privacy Act 2020;
 - 18.4 relevant international standards and obligations;
 - 18.5 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.
- 19 Section 418(4) of the Civil Aviation Act 2023 requires the Minister of Transport's recommendation for a levy order to be at the request of the Authority, and that before recommending the making of a levy order, the Minister of Transport must be satisfied that the Authority has consulted with such persons, representative groups within the aviation industry or elsewhere, government departments, and Crown agencies as the Minister considers appropriate. I confirm that these requirements have been met.

Regulations Review Committee

- 20 There are no grounds for the Regulations Review Committee to draw the amendment Regulations and amendment Order to the attention of the House of Representatives as a Standing Order requirement.

Certification by Parliamentary Counsel

- 21 The Regulations and Order have been certified by the Parliamentary Counsel Office as being in order for submission to Cabinet.

Impact Analysis

- 22 A Cost Recovery Impact Statement was prepared in accordance with the necessary requirements and was submitted at the time that Cabinet policy approval relating to the amendment Regulations and amendment Order was sought [CAB-24-MIN-0504.01 refers].

Publicity

- 23 The amendment Regulations and amendment Order will be notified in the New Zealand Gazette. The Authority will notify stakeholders of the amendment Regulations and amendment Order coming into force.

Proactive release

- 24 I intend to proactively release this paper within 30 business days of final decisions being taken by Cabinet, subject to any redactions appropriate under the Official Information Act 1982.

Consultation

- 25 The Treasury, the Ministry of Business, Innovation and Employment, the Ministry for Primary Industries, Te Puni Kōkiri, the New Zealand Customs Service and the Civil Aviation Authority were consulted. The Department of the Prime Minister and Cabinet was informed.

Recommendations

I recommend that the Cabinet Legislation Committee:

- 1 ~~note~~ that on 16 December 2024, following reference from the Economic Policy Committee, Cabinet agreed:
- 1.1 to the Civil Aviation Authority's (the Authority) proposal to increase its revenue through a 145 percent increase in passenger safety levies, and a 10 percent increase to other levies, fees, and charges;
 - 1.2 to the Authority Board's proposal to increase Aviation Security Service revenues through a 66 percent increase in the domestic passenger security levy, and a 70 percent increase in the international passenger security levy;

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- 1.3 that the Minister of Transport will implement regulatory changes to set levy, fee, and charge rates at a maximum level, and allow flexibility to further reduce rates as the Authority identifies efficiencies [CAB-24-MIN-0504.01 refers];
- 2 **agree** that, despite Cabinet's previous agreement, the following fees and charges will not be increased by 10 percent:
- 2.1 fees for applications for Airport Identity Cards and temporary Airport Identity Cards (clause 10A of the principal Regulations), as they were excluded from the scope of the pricing review and were not consulted on; and
- 2.2 revenue from airport charges payable by international operators where differential airport charges are not for the time being fixed in respect of the airport concerned (clause 16(1) of the principal Regulations), as these charges are not administered by the Authority and were excluded from the scope of the pricing review;
- 3 **note** that the reference in recommendation 3.1 of CAB-24-MIN-0504.01 to 'passenger safety levies' is intended to refer to 'domestic passenger levies' and 'departing international passenger levies', as defined respectively in clauses 5 and 9 of the principal Order;
- 4 **note** that the Civil Aviation Charges Regulations (No 2) 1991 Amendment Regulations 2025 and the Civil Aviation (Safety and Security) Levies Amendment Order (No.2) 2025 give effect to the decisions referred to in paragraphs 1-3 above;
- 5 **note** that I intend to seek further adjustments to levies in line with recommendation 8 of CAB-24-MIN-0504.01 as the Authority identifies efficiencies, which will require subsequent amendment Orders in Council;
- s 9(2)(f)(iv)
- 7 **authorise** the submission to the Executive Council of the:
- 7.1 Civil Aviation Charges Regulations (No 2) 1991 Amendment Regulations 2025; and
- 7.2 Civil Aviation (Safety and Security) Levies Amendment Order (No.2) 2025;
- 8 **note** that the Civil Aviation Charges Regulations (No 2) 1991 Amendment Regulations 2025 and the Civil Aviation (Safety and Security) Levies Amendment Order (No.2) 2025 will come into force on 1 July 2025;
- 9 **note** that section 418(4) of the Civil Aviation Act 2023 requires the Minister of Transport's recommendation for a levy order to be at the request of the Authority, and that before recommending the making of a levy order, the

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Minister of Transport must be satisfied that the Authority has consulted with such persons, representative groups within the aviation industry or elsewhere, government departments, and Crown agencies as the Minister considers appropriate;

- 10 **note** the advice of the Acting Minister of Transport is that these requirements have been met.

Authorised for lodgement

Hon James Meager

Acting Minister of Transport

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Appendix 1: Pricing review 2024: fees, levies and charges as approved by Cabinet

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IN CONFIDENCE

Pricing review 2024: fees, levies and charges as approved by Cabinet

Civil aviation levies (excluding GST)		Current	As approved
Passenger levies			
Passenger safety levy – Domestic (ANZA)		1.57	3.85
Passenger safety – Domestic		1.60	3.92
Passenger safety levy – International (non-ANZA)		1.60	3.92
Passenger security levy – Domestic		6.57	10.91
Passenger security levy – International		13.12	22.30
Participation levies			
Heavy (exceeding 100,000kg)		11,900.00	13,090.00
Medium Heavy (13,600 – 100,000kg)		2,900.00	3,190.00
Medium (5,700 – 13,600kg)		1,200.00	1,320.00
Medium-light (2,730 – 5,700kg)		480.00	528.00
Light (1,000 – 2,730kg)		100.00	110.00
Very light (below 1,000kg)		70.00	77.00
Operations safety levies			
Category A: Part 115 (adventure aviation)		1.60	1.76
Category B: Part 115 (adventure aviation)	Very light	3.50	3.85
	Light	5.50	6.05
	Medium	8.50	9.35
Category C: Part 137 (agricultural): Tonnes dispensed	Up to 10,000	0.87	0.96
	10,000 to 50,000	0.73	0.80
	Over 50,000	0.65	0.72
Category D: Part 119 or Part 129 (foreign) Freight-only: Tonnes carried	Up to 10,000	3.00	3.30
	10,000 to 50,000	2.60	2.86
	Over 50,000	2.00	2.20
Category E: Other part 119 operations	Part 135 (small/heli)	6.50	7.15
	Part 121 or 125	5.50	6.05

Fees schedule (including GST)		Current	As approved
Personnel licensing (Part 1 of schedule)			
Training, examining, flight testing, and conducting organisation			
Issue of certificate of approval (A minimum fee of \$133 is payable on application)	Standard hourly rate		Standard hourly rate
Renewal of, or amendment to, certificate of approval	Standard hourly rate		Standard hourly rate
Monitoring of, or carrying out checks in relation to, certificate of approval holder	Standard hourly rate		Standard hourly rate
<i>Air Traffic Service Personnel Licences and Ratings</i>			
Air Traffic Trainee Licence	197.00		216.69
Flight Service Trainee Licence	197.00		216.69
Air Traffic Controller Licence	197.00		216.69
Flight Service Operator Licence	197.00		216.69
Air Traffic Service instructor rating	131.00		144.10
Air Traffic Service examiner rating	131.00		144.10
<i>Aircraft Maintenance Personnel Licences and Ratings</i>			
Aircraft Maintenance Engineer (AME) licence (includes issue plus one category)	299.00		328.90
Aircraft Maintenance Engineer (AME): additional category	200.00		220.00
Aircraft Maintenance Engineer (AME): rating	200.00		220.00
Aircraft Maintenance Engineer (AME): maintenance approval	266.00		292.59
Aircraft Maintenance Engineer (AME) Certificate of Inspection authorisation	266.00		292.59
Exchange old Aircraft Maintenance Engineer (AME) to lifetime equivalent	197.00		216.69
<i>Flight Crew Licensing</i>			
Private Pilot Licence	230.00		253.00
Commercial Pilot Licence	230.00		253.00
Airline Transport Pilot Licence	230.00		253.00
Instrument rating	131.00		144.10
Flight Instructor rating - A Category	131.00		144.10
Flight Instructor rating - B Category	131.00		144.10
Flight Instructor rating - C Category	131.00		144.10
Flight Instructor rating - D Category	131.00		144.10
Flight Instructor rating - E Category	131.00		144.10
Flight Examiner rating	197.00		216.69
Validation of Foreign pilot Licence	197.00		216.69
Replacement of licence, certificate or rating	99.00		108.90
Amendment to face of document (all personnel licences)	131.00		144.10
<i>Flight Testing</i>			
Air Transport Pilot Licence (ATPL -aeroplane): issue flight test	2,759.00		3,034.90
Air Transport Pilot Licence (ATPL -helicopter) issue flight test: issue flight test	2,759.00		3,034.90
<i>Airline Flight Examiner Rating</i>			
Airline Flight Examiner Rating - issue and renewal test	Standard hourly rate		Standard hourly rate
<i>General Aviation Flight Examiner Rating</i>			
GA flight examiner rating: Issue	Standard hourly rate		Standard hourly rate
GA flight examiner rating: Renewal	1,379.00		1,516.90
<i>Medical</i>			
Accredited Medication Conclusions (more than 2 hours)	Standard hourly rate		Standard hourly rate
Medical Certificate Application Fee	120.75		132.83
<i>Trans-Tasman Mutual Recognition Agreement</i>			
Registration of licensees recognised under the Agreement	197.00		216.69
Aircraft registration (Part 2 of schedule)			
Initial registration	296.00		325.60
Annual fee for maintenance of Register	99.00		108.90
Change of registration	394.00		433.40
Change of ownership	263.00		289.31
Reservation or Allocation of a particular Registration Mark	197.00		216.69
Cape Town Convention Registration	279.00		306.90

Charges schedule (including GST)	Current	As approved
Standard Hourly Rate for chargeable services	284.00	312.40

Specific standard hourly rate charge application

Civil Aviation Charges Regulations (No 2) 1991, schedule 1: Part / Section / Paragraph

Aircraft Registration (Part 2 of Schedule)

- 6 (a) Type certificate
- 6 (b) Type acceptance certificate
- 6 (c) Design certification of aircraft parts or equipment
- 6 (d) Airworthiness certificate
- 6 (e) Renewal of or amendment to airworthiness certificate
- 6 (f) Approval of minimum equipment list
- 6 (g) Approval of aircraft modifications
- 6 (h) Approval of flight manuals or amendments
- 6 (i) Approval of aircraft radio station
- 6 (j) Special flight permit

Air services charges (Part 3)

- 7 (a) Grant of air operator certificate
- 7 (b) Renewal or amendment of air operator certificate
- 7 (c) Non-routine Monitoring of holders of air operator certificate
- 7 (d) Assessment of manuals, etc

Aerodrome charges (Part 4)

- 8 (a) Aerodrome operating certificates
- 8 (b) Non-routine Monitoring of holders of aerodrome operating certificates

Other Aviation Related Charges (Part 5)

- 9 (a) Grant of certificate
- 9 (b) Renewal or amendment of certificate
- 9 (c) Non-routine Monitoring of approved organisations
- 9 (d) Amendment of manuals, etc
- 9 (e) Approval of simulators
- 9 (f) Approval of training and checking organisations
- 9 (g) Non-routine Monitoring of training and checking organisations
- 9 (h) Grant of maintenance organisation certificate
- 9 (i) Non-routine Monitoring of maintenance organisation

Air Traffic Services, Navigation Installation, And Instrument Flight Procedure Service And Registration Charges (Part 6)

- 10 (a) Telecommunication service certificate, air traffic service certificate, aeronautical information service certificate, and instrument flight procedure service certificate
- 10 (b) Non-routine Monitoring of providers of air traffic services, navigation installations, or instrument flight procedure services
- 10 (c) Assessment of radio frequencies
- 10 (d) Allocation of ICAO location indicators or ICAO aircraft operating agency designators
- 10 (e) Instrument flight procedure registration

Aviation Security (Part 7)

- 11 (a) Approvals
- 11 (b) Non-routine Monitoring

Meteorological Service Providers (Part 8)

- (a) Grant of meteorological service certificate
- Non-routine Monitoring of meteorological service providers

Other Aviation Related Charges (Part 9)

- (a) Certification and clearance of Aeronautical Information Publication material
- (b) Other aviation publications
- (c) Exemptions
- (d) Aerodrome determinations
- (e) Compliance advice
- (f) Examination approvals
- (g) Aeronautical study or safety review
- (h) Construction or alteration of structure, or other activity, that could constitute hazard
- (i) Non-routine monitoring for which a specified charge is not otherwise prescribed
- (j) Approval or investigations for which specified charge is not otherwise prescribed



Cabinet Legislation Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Civil Aviation Charges Regulations (No 2) 1991 Amendment Regulations 2025 and the Civil Aviation (Safety and Security) Levies Amendment Order (No 2) 2025

Portfolio Acting Transport (Hon James Meager)

On 15 May 2025, the Cabinet Legislation Committee:

- 1 **noted** that in December 2024, Cabinet agreed:
 - 1.1 to the Civil Aviation Authority's (the Authority) proposal to increase its revenue through a 145 percent increase in passenger safety levies, and a 10 percent increase to other levies, fees, and charges;
 - 1.2 to the Authority Board's proposal to increase Aviation Security Service revenues through a 66 percent increase in the domestic passenger security levy, and a 70 percent increase in the international passenger security levy;
 - 1.3 that the Minister of Transport will implement regulatory changes to set levy, fee, and charge rates at a maximum level, and allow flexibility to further reduce rates as the Authority identifies efficiencies;

[CAB-24-MIN-0504.01]
- 2 **agreed** that, despite Cabinet's previous agreement, the following fees and charges will not be increased by 10 percent:
 - 2.1 fees for applications for Airport Identity Cards and temporary Airport Identity Cards (clause 10A of the principal Regulations), as they were excluded from the scope of the pricing review and were not consulted on; and
 - 2.2 revenue from airport charges payable by international operators where differential airport charges are not for the time being fixed in respect of the airport concerned (clause 16(1) of the principal Regulations), as these charges are not administered by the Authority and were excluded from the scope of the pricing review;
- 3 **noted** that the reference in paragraph 1.1 above to 'passenger safety levies' is intended to refer to 'domestic passenger levies' and 'departing international passenger levies', as defined respectively in clauses 5 and 9 of the Civil Aviation (Safety and Security) Levies Order 2002;

- 4 **noted** that the Civil Aviation Charges Regulations (No 2) 1991 Amendment Regulations 2025 and the Civil Aviation (Safety and Security) Levies Amendment Order (No.2) 2025 give effect to the decisions referred to in paragraphs 1-3 above;
- 5 **noted** that the Acting Minister of Transport (Hon James Meager) (the Acting Minister) intends to seek further adjustments to levies, in line with the decision referred to in paragraph 1.3 above, which will require subsequent amendment Orders in Council;

s 9(2)(f)(iv)

- 7 **authorised** the submission to the Executive Council of the:
- 7.1 Civil Aviation Charges Regulations (No 2) 1991 Amendment Regulations 2025 [PCO 27263/9.0]; and
- 7.2 Civil Aviation (Safety and Security) Levies Amendment Order (No 2) 2025 [PCO 27264/5.0];
- 8 **noted** that the Civil Aviation Charges Regulations (No 2) 1991 Amendment Regulations 2025 and the Civil Aviation (Safety and Security) Levies Amendment Order (No.2) 2025 will come into force on 1 July 2025;
- 9 **noted** that section 418(4) of the Civil Aviation Act 2023 requires:
- 9.1 the Minister of Transport's recommendation for a levy order to be at the request of the Authority; and
- 9.2 that before recommending the making of a levy order, the Minister of Transport must be satisfied that the Authority has consulted with such persons, representative groups within the aviation industry or elsewhere, government departments, and Crown agencies as the Minister considers appropriate;
- 10 **noted** the advice of the Acting Minister that the requirements in paragraph 9 have been met.

Tom Kelly
Committee Secretary

Present:

Rt Hon Winston Peters
Hon Louise Upston (Chair)
Hon Judith Collins KC
Hon Brooke van Velden
Hon Casey Costello
Hon Nicole McKee
Hon James Meager
Stuart Smith, MP
Jamie Arbuckle, MP
Todd Stephenson, MP

Officials present from:

Officials Committee for LEG