

Proactive Release

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

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.

Listed below are the most commonly used grounds from the OIA.

<u>Section</u>	<u>Description of ground</u>
6(a)	as release would be likely to prejudice the security or defence of New Zealand or the international relations of the New Zealand Government
6(b)	as release would be likely to prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by (i) the Government of any other country or any agency of such a Government; or (ii) any international organisation
6(c)	prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
9(2)(a)	to protect the privacy of natural persons
9(2)(b)(ii)	to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
9(2)(ba)(i)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public
9(2)(ba)(ii)	to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
9(2)(f)(ii)	to maintain the constitutional conventions for the time being which protect collective and individual ministerial responsibility
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
9(2)(g)(i)	to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty
9(2)(h)	to maintain legal professional privilege
9(2)(i)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities
9(2)(j)	to enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

In Confidence

Office of the Minister for Space

Office of the Acting Minister of Transport

Cabinet Expenditure and Regulatory Review Committee

Supporting advanced aviation – offences and penalties

Proposal

- 1 I am seeking authorisation for the Acting Minister of Transport to make policy decisions and issue drafting instructions for consequential amendments to civil aviation offences and penalties regulations, following the implementation of advanced aviation actions agreed to by Cabinet [EXP-24-MIN-0045 refers].

We are committed to doubling the size of the space and advanced aviation sectors by 2030

- 2 This paper advances actions in:
 - 2.1 the New Zealand Space and Advanced Aviation Strategy 2024 to 2030 –that by the end of 2025, New Zealand has a world class regulatory environment that allows rapid iteration and testing of advanced aviation vehicles and technology while maintaining current levels of safety
 - 2.2 the Government's 'Going for Growth' strategy action: 'Encouraging the growth of the space and advanced aviation sector by removing unnecessary red tape and freeing up innovators to test and commercialise their technology and ideas'.

Advanced aviation drives technological advancements that have wide-ranging economic and global impacts on everyone's daily lives

- 3 Advanced aviation includes drones, uncrewed aircraft, and new and innovative aviation capabilities that have not been certified or approved before, are innovative, and are not routine.
- 4 A conservative estimate shows that during 2023/24, New Zealand's advanced aviation sector contributed \$0.48 billion to the economy. This is equivalent to 0.11 percent of the New Zealand economy.¹ Companies such as Kea Aerospace and Dawn Aerospace have helped establish New Zealand as a commercially driven hub for advanced aviation and space.

Our civil aviation regulatory environment is already safe and efficient - but there's always room for improvement

- 5 To support advanced aviation, we need a regulatory system that is agile and able to keep pace with innovation, allows for robust decision making at the right pace and with the right culture, and provides good value for money. The regulatory system

¹ MBIE, Economic study of the space and advanced aviation sector, <https://www.deloitte.com/nz/en/services/consulting/analysis/charting-the-space-and-advanced-aviation-sectors.html>

should manage the competing demands of traditional and advanced aviation, align with international expectations, and integrate evolving markets and other regulatory regimes.

- 6 On 10 September 2024, the Government agreed to implement actions to relieve demand pressure on the advanced aviation certification process, allow for rapid iteration and testing of advanced aviation vehicles and technologies, and provide more certainty for participants [EXP-24-MIN-0045 refers]. This includes updating and refreshing our advanced aviation rules by:
 - 6.1 introducing a new Civil Aviation Rule for experimental or developmental aircraft and systems operations to reduce the need for time consuming amendments or re-certification and relieve some pressure on current certification process. The new rule allows advanced aviation companies to freely develop their product without needing to seek further approvals from the CAA
 - 6.2 refreshing Civil Aviation Rules to reduce the regulatory burden on lower risk operations. The changes to existing rules remove certification requirements for some lower risk and less complex uncrewed aircraft operations, freeing up more resources to process complex applications. This helps reduce certification processing times, while maintaining safety.
 - 7 The other actions are:
 - 7.1 engage with the sector to establish permanent restricted airspace areas for exclusive use by advanced aviation companies
 - 7.2 explore options for the provision of regulatory advice outside of the regulator,
 - 7.3 progress options for a cost-recovered advisory service for applicants with complex operations, and
 - 7.4 co-design an emerging technology programme that clearly defines the roles and responsibilities of different parties in the system and identifies capabilities and capacities needed, and the ways of working.
 - 8 A lighter touch regulatory approach following the completion of the new rule at the end of the year (refer paragraph 6.1), coupled with restricted airspace (refer paragraph 7.1) and ground-based support systems, will create a 'sandbox' that will allow advanced aviation companies to refine and scale next-generation technologies in environments that reflect a range of operating conditions, while maintaining safety.
- We have consulted on updating and refreshing advanced aviation rules to deliver the work to support advanced aviation by or before the end of 2025*
- 9 The CAA has proactively engaged the Ministry of Transport and key stakeholders in rule development, allowing for prompt and efficient feedback loops to ensure the new rule and rule refresh are fit-for-purpose.
 - 10 A five-week public consultation on the draft new rule and proposed rule changes concluded on 27 July 2025. ^{s 9(2)(f)(iv)}

Consequential amendments to the Civil Aviation (Offences) Regulations are necessary to give effect to the rule changes

- 11 On 10 September 2024, Cabinet noted that the Acting Minister of Transport intends to approve amendments to the Civil Aviation Rules necessary to give effect to the set of actions, without further reference to Cabinet, unless a significant policy issue or risk emerges [EXP-24-MIN-0045 refers].
- 12 The scope of the September 2024 Cabinet decision does not extend to making changes to offences and penalties.
- 13 Consequential amendments are required to the Civil Aviation (Offences) Regulations 2025 to:
- 13.1 identify breaches of new rule provisions as offences and provide penalties for breach, and
- 13.2 reflect the movement of rule provisions between Civil Aviation Rules Part 101 and Civil Aviation Rules Part 102.

- 14 s 9(2)(f)(iv)
- 15 s9(2)(g)(i)
- 16 s9(2)(g)(i)
- 17 s 9(2)(f)(iv)

Cost-of-living Implications

- 18 There are no cost-of-living implications for this paper as no policy decisions are being sought.

Financial Implications

- 19 Fees and charges related to new rule provisions are covered within existing Civil Aviation Charges Regulations (No.2) 1991.

Legislative Implications

- 20 Amendments to Civil Aviation Rules are necessary to give effect to this package. Consequential amendments will be required to the Civil Aviation (Offences) Regulations 2025 to reflect the movement of rule provisions between Civil Aviation

Rules Part 101 and Civil Aviation Rules Part 102 and to identify breaches of the new rule provisions as offences and provide penalties for breach.

Impact Analysis

Regulatory Impact Statement

- 21 There are no regulatory impact statement requirements for this paper as no policy decisions are being sought.

Climate Implications of Policy Assessment

- 22 There are no climate implications for this paper.

Population Implications

- 23 There are no population implications for this paper.

Human Rights

- 24 There are no human rights implications for this paper as no policy decisions are being sought.

Consultation

- 25 We consulted the Ministry of Business, Innovation and Employment, Civil Aviation Authority, Ministry of Justice, and the Treasury. We will continue to consult the Ministry of Justice, Offence and Penalty Vetting team. DPMC was informed.

Communications

- 26 No communication is proposed. The Parliamentary Counsel Office will notify the amendment regulations, once made, in the Gazette and publish them on the legislation website, legislation.govt.nz, as required by the Legislation Act 2019.

Proactive Release

- 27 This Cabinet paper will be proactively released within 30 working days of the Cabinet decision.

Recommendations

- 28 The Minister for Space recommends the Committee:
- 28.1 **note** that the Acting Minister of Transport intends to approve amendments to the Civil Aviation Rules necessary to give effect to the set of actions, without further reference to Cabinet, unless a significant policy issue or risk emerges [EXP-24-MIN-0045 refers].
- 28.2 **note** that consequential amendments are required to the Civil Aviation (Offences) Regulations 2025 to reflect the movement of rule provisions between Civil Aviation Rules Part 101 and Part 102 and to identify breaches of the new rule provisions as offences and provide penalties for breach.

IN C O N F I D E N C E

- 28.3 **authorise** the Acting Minister of Transport to make decisions, consistent with existing settings, on offences and penalties necessary to support enforcement and implementation of the new civil aviation rule and rule changes to Civil Aviation Rules Part 101 and Part 102, and report to Cabinet when seeking authority to submit the necessary regulations to the Executive Council
- 28.4 **invite** the Acting Minister of Transport to issue drafting instructions to the Parliamentary Counsel Office for the necessary regulations.

Authorised for lodgement

Hon Judith Collins KC

Minister for Space

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IN CONFIDENCE

Annex One – Draft timetable for the rule changes and offences and penalties.

Rules: Public consultation on new and refreshed rules opened and closed	23 June to 27 July
Rules: Post-consultation rule updates and work to finalise rules	s 9(2)(f)(iv)
Offences and penalties: policy decisions made by Minister and issue drafting instructions	
Offences and penalties: finalise regulations and draft LEG paper and consultation	
LEG paper for offences and penalties lodged	
LEG committee	
Rules signed by Acting Minister of Transport	
Cabinet and Executive Council for Regulations	
Rules and regulations Gazetted	
Rules and regulations in force	

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Cabinet Expenditure and Regulatory Review 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.

Supporting Advanced Aviation: Offences and Penalties

Portfolios **Space / Acting Transport**

On 29 July 2025, the Cabinet Expenditure and Regulatory Review Committee (EXP):

- 1 **noted** that in September 2024, EXP agreed to a suite of actions to support advanced aviation, and noted that the Minister of Transport intends to approve amendments to the Civil Aviation Rules necessary to give effect to the set of actions, without further reference to Cabinet, unless a significant policy issue or risk emerges [EXP-24-MIN-0045];
- 2 **noted** that consequential amendments are required to the Civil Aviation (Offences) Regulations 2025 to reflect the movement of rule provisions between Civil Aviation Rules Part 101 and Part 102 and to identify breaches of the new rule provisions as offences and provide penalties for breaches;
- 3 **authorised** the Acting Minister of Transport to make decisions, consistent with existing settings, on offences and penalties necessary to support enforcement and implementation of the new civil aviation rule and rule changes to Civil Aviation Rules Part 101 and Part 102, and report to Cabinet when seeking authority to submit the necessary regulations to the Executive Council;
- 4 **invited** the Acting Minister of Transport to issue drafting instructions to the Parliamentary Counsel Office for the necessary regulations.

Sam Moffett
Committee Secretary

Present: (see over)

Present:

Hon David Seymour (Chair)
Hon Nicola Willis
Hon Paul Goldsmith
Hon Louise Upston
Hon Judith Collins KC
Hon Mark Mitchell
Hon Simon Watts
Hon Brooke van Velden
Hon Casey Costello
Hon Chris Penk
Hon James Meager

Officials present from:

Officials Committee for EXP
Office of the Attorney-General
Office of the Associate Minister of Defence

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Cabinet

Minute of Decision

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Report of the Cabinet Expenditure and Regulatory Review Committee: Period Ended 1 August 2025

On 4 August 2025, Cabinet made the following decisions on the work of the Cabinet Expenditure and Regulatory Review Committee for the period ended 1 August 2025:

Out of Scope

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EXP-25-MIN-0072

Supporting Advanced Aviation: Offences and Penalties
Portfolios: Space / Acting Transport

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Out of Scope



Rachel Hayward
Secretary of the Cabinet

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