

It is fair to say that the aviation community is now very vocal in expressing its displeasure to government – officials and parliamentarians alike, regarding the increased charges. Minister Brownlee has signed out numerous letters saying AIA representatives were consulted – what he doesn't go on to say is that we were very clear with our view that the increases in medical and certification charges, and the hourly rate charge increase beyond \$208 were unwarranted.

In expressing our disagreement, we did recognise that CAA was between a "rock and a hard place". The building and its associated overhead costs were like a noose around its neck – we now know overheads are about 50% of the cost increase.

With the charges coming into effect on November 1 what's the solution going forward ?

- Seek an urgent rule change to enable DCA to recognize foreign medical certificates. DCA confirmed that the Act did not prohibit him from recognizing foreign medical certificates; there was just no rule that enable him to do so. We will be writing to Minister Brownlee seeking urgent recognition of an Australian issued medical certificate as the very minimum. This will enable pilots to pay \$A75 instead of the \$315 paid here in New Zealand
- Concurrently urgently work with the CAA to bring about delivery and structural changes to the medical certification unit to reduce the New Zealand charge to a competitive level
- In preparation for the next review engage with government, specifically Treasury, on the issue of Public v Private good. This debate has not been had in the aviation space, and even from CAA's own statement of intent, there is clearly \$1m plus of cross subsidization of the private (ie Industry) of the public good for services provided by CAA to government
- Pursue an Official Information request for the papers behind the recommendation made to Cabinet to increase charges. We want to ensure that our advice that AIA opposed the increases mentioned above was conveyed to Ministers. We were given an assurance by Officials that our letter (click here) would be conveyed in whole to Ministers. We find it incongruous that a Minister would sign out letters implying AIA agreed with the increases when in fact Officials knew that we did not agree
- Request the CAA to conduct a benchmarking exercise of its hourly rates relative to government agencies. Privately, AIA has undertaken this exercise but we think CAA should conduct the same exercise and then we can compare notes and agree

- Lastly we will continue to discuss with CAA relinquishing all audit functions as provided for in clause 72 E of the Act. There are indications that CAA will consider an alternative audit delivery platform for all non passenger operations i.e. CAR 137 and below.

Even though prices are increasing on November 1 to levels which we think are unaffordable for many smaller operators, individual pilots and engineers, our goal is, within one year, to have a CAA which is sustainable, delivering world class regulatory functions to those who need them, meeting the public safety interest and delivering value for money. This is some challenge but we are confident that we have a CAA Board supported by a management team which shares this goal.