



Annual Report: 2015/16

Level 5, Aviation House
12 Johnston Street
Wellington 6012



Contents

1. President's Report
2. Divisional Reports
 - 2.1 NZAAA
 - 2.2 NZHA
 - 2.3 Supply, Services and Engineering
 - 2.4 Training and Development
 - 2.5 UAVNZ

COUNCIL

President - Don McCracken
Vice President - Lloyd Matheson
Vice President - Kevin England
NZAAA - Alan Beck
NZHA - Peter Turnbull
Supply Services and Engineering - Maurice Gordon
Training and Development - Gordon Alexander
UAVNZ - Shaun Mitchell
Major Airline Representative - David Morgan

OFFICE

Samantha Sharif - Chief Executive
John Nicholson - General Manager
John Sinclair - Executive Officer NZAAA & NZHA
Andrew Nicholson - Office Manager
Sarah Fisher - Accounts Manager

About Us

Aviation New Zealand (formerly the Aviation Industry Association of New Zealand, 'AIA') exists to lead, inspire and grow the New Zealand aviation industry.

We do this by encouraging collaboration between companies, focussing resources to achieve maximum impact and reducing constraints to companies doing business.

Member expertise encompasses advisory services, air operations, aircraft design and manufacture, component manufacture, training (pilot, cabin crew, engineering, air traffic control, aviation English, emergency and medical), general aviation (fixed wing and rotary), MRO (maintenance, repair and overhaul), airport development through design and fit-out and UAV development and operation.

The AIA was established in 1950 to encourage the safe growth of the aviation industry in New Zealand. In more recent years, it has also become involved in helping the international development of its members.

President's Report 2015/16

This has been a year of considerable change for Aviation NZ. We sold 20% of our 50% shareholding in ASPEQ to the Aviation Federation; the last AGM saw the adoption of a revised constitution, which included the removal of one layer of governance; and there was a considerable improvement in Aviation NZ finances to the point that 2016/17 subscriptions were not billed in advance.

In the background for the year was the CAA Act Review. It did not progress as expected. The CAA Funding Review did progress slowly, antagonising members with the proposal to introduce a levy across much of the GA operational sector, and showing a general misunderstanding of the commercial imperatives faced by companies. Levy's appeared not equitable in proposed application, lacked the transparency we would expect and would not, in our view, deliver improved safety.

Industry is seeking a government regulatory partnership that will provide an Aviation participant safety improvement that ensures small business viability. In effect "Safety, a shared responsibility"

Governance

The Governance Board and Aviation Council became the Council. This simple structure, some would say a return to what we had, removed some confusion and uncertainty amongst members. It provided a more direct member voice to the Council which also assumed a proper governance function. Councillors are in touch with everyday member needs.

The council was made up of: Kevin England and Lloyd Matheson (Vice Presidents), Alan Beck (NZAAA), Pete Turnbull (NZHA), Maurice Gordon (Supply Services and Engineering), Gordon Alexander (Training and Development), Shaun Mitchell (UAVNZ), and Errol Burtenshaw (representing Air New Zealand).

The proceeds from the August 2015 share sale are still in the bank. Some of those funds have been used to help with cash flow needs when we have heavy initial cash outgoings such as around the annual conference, but are returned to the deposits as sales revenue comes in.

As will be clear from the financial statements, the viability of the organisation has improved significantly over the past 12 months. We finished the year with a net surplus of \$281,817 (\$284,563 loss in 2015) on revenue of \$1,050,367 (\$581,780) and expenses of \$768,549 (\$866,343). We have a balanced budget for 2016/17 and will look to build retained earnings again.

Our work

You've told us that you wish us to focus in a select number of areas. We did! To Summarise:

1 Regulation and Government

We have good formal and informal relationships with Government agencies. On the formal side, we provided submissions on a wide range of issues affecting you including:

- The CAA Funding Review
- AC91
- Clear Heads
- Colour Vision
- Queenstown Lakes District Plan
- SMS

In our submissions, among other things, we reiterated the burden of compliance on industry. Ongoing issues - while Government policy may be clear, the way it is operationalised at agency level can create difficulties for companies; and agencies on occasions introduce changes without our members feeling they have had reasonable consultation. In some areas there has been very effective consultation between regulator and Industry and we very much appreciate that approach.

The CAA funding review remained unresolved at year end. We pushed strongly to preserve the status quo until a more inclusive, transparent and equitable regime could be developed and accepted by industry.

Achievements include: Safety Updates for NZAAA and NZHA (from the CAA/Aviation NZ partnership); the introduction of Rule Part 147 and the Integrated Professional Pilot Training Programme; and an amended ruling from IRD on B2B contracts.

2 The profile of Aviation

We provided a number of articles for national and international publications and issued press releases:

- Welcoming the introduction of drone specific rules
- A320 'drone' incident
- Supporting TAIC Carterton balloon inquest recommendations
- Offering support with Fox Glacier accident
- Industry awards

3 Value to members

We regularly provided free mentoring and advice to our members on industry issues – this is an area where our Divisions were particularly active. Cost-effective tools were provided to members to help make compliance as straightforward as possible e.g. AIRCARE. Several divisions introduced templates for members to help improve consistency, raise standards and save time (and money). A joint Training and Development, SSE and UAVNZ workshop showing what we could do more of.

Our relationships with N3 and NZForex, helped members save money. This year, members saved a total of \$291,655 buying through N3 (\$30,000 up on the previous year). This equated to \$2410 per company compared to the average subscription to Aviation NZ of \$1560.

Achievements include the AIRCARE™ SMS Manual, UAV Risk Management template, Privacy Guidelines, and some codes of conduct at divisional level.

Thanks

I would like to thank the council, outgoing Chief Executive Samantha Sharif who resigned with effect from 31 March 2016, and the office staff: John Sinclair, Andrew Nicholson and John Nicholson who, with you, have helped turn around Aviation NZ. We can go forward with much more confidence than was the case 12 months ago. A special thanks to Kevin England a tireless effort, working with our team to produce a solid set of financials and upgrading to MYOB cloud.

I have enjoyed my time as President and look forward to remaining involved with the organisation as it moves forward.

Don McCracken

President

NZAAA Division Report

Executive Committee

Chairman: Alan Beck - Beck Helicopters, Vice Chair: Rick Graham - Shoreline Helicopters.
Committee: Andrew Hogarth - Farmers Air, Bruce Peterson- Aerospread, Rick Harding - Ravensdown Aerowork, John Funnell - Helicopter Services BOP, Davin Mudford Heli A1 and Richard Donnelly – Super Air.

Divisional Meeting

The Executive met in Wellington in August, December and March

Highlights

- Safety Update published – Ag sector accident rate dramatically improving
- New AIRCARE™ Safety Systems Manual Guide written and made available free to members to help them meet the new HSW and SMS requirements.
- Successful outcomes in a number of Regional Air & Water Plans where AG Aviation activities would otherwise have been heavily restricted or curtailed altogether
- Time in Service Recorder project handed over to a private company for development, testing and marketing.
- The project to get rid of dangerous farm wires gains enormous momentum. This DTTW initiative is saving pilots' lives already
- Strong opposition to CAA's proposed Agricultural Levy
- EPA/WorkSafe successfully lobbied to allow fuel tankers to remain on worksites for extended periods without LTC or secondary containment
- Ran a very popular conference with top international speakers
- Working with CAA to examine factors that influence pilots to overload or take safety shortcuts with a view to increasing safety performance even further
- NZAAA is now on Facebook.

I want to thank the executive committee and membership for their involvement during the year.

Alan Beck

Chairman

NZHA Division Report

Executive Committee

Chairman: Peter Turnbull – NEST. Immediate Past Chairman – Lloyd Matheson – Southern Lakes Helicopters.

Committee: David Beck – Beck Helicopters, Allan Boyce – individual member, John Funnell – Helicopter Services BOP, Rick Graham – Shoreline Helicopters, Scott McKenzie - RNZAF appointee, Louisa Patterson – Over the Top Helicopters and Keith Stevens - Over the Top Helicopters

Divisional Meeting

The Executive met in Wellington in August, December and March

Highlights

New Zealand now has approximately 900 registered helicopters, and over 4500 Licenced Helicopter pilots. This takes New Zealand, on a per head of population, to among the highest in the world on both the above counts.

Thus, It is certainly desirable, if not imperative, that the helicopter community have access to a body that can lobby and act on their behalf should the need arise and it was for this reason that a separate Helicopter Division of Aviation New Zealand was formed.

Success by the Helicopter Association depends on participation, and the Association welcomes anyone with a helicopter interest to join and add wisdom and value to a dedicated industry

Among an extensive list of issues over the past year the Helicopter Association, led by a committed CEO and committee has focused on the following items

- Safety updates and Safety Bulletins published
- Successful outcomes in a number of Regional Air Plans where helicopter activities would otherwise have been severely restricted
- Encouraging DoC to select its helicopter operators based on their safety performance
- Working alongside CAA's investigation, (with possible regulation) that would have seen it being illegal to leave helicopter controls unattended whilst the rotors were in motion
- Working with CAA to examine factors that influence pilot decision making, especially with regard safety shortcuts or overload
- Working with CAA to improve rigging and preparation of underslung loads

I'd like to thank the executive committee and members for the involvement during the year.

Peter Turnbull

Chairman

Supply Services and Engineering Division Report

Executive Committee

Chairman: Maurice Gordon – Hawker Pacific, Deputy Chairman - Don Lockie- Redfort Group.

Committee: Bruce Robertson – AvTek, Steve Windleburn – Aviall, Carol Thompson – Flight Interiors, Don McCracken – Oceania, Neil Matheson – Aero Support and Peter Griffin - RNZAF appointee.

Divisional Meeting

The Executive met in Wellington in December and March

Highlights

The SSE Division has developed a strategic plan to provide drive and direction to the division. It is expected that 2016/17 will see a number of activities rolled out in terms of the plan.

Key elements of the strategic plan are:

1. Technology

- Use of technologies within business
- Website improvements
- Mobile Apps

2. Professionalism

- Having ethics in business

3. Communication

- Membership (Awareness)
- Telling our story (Av NZ) the social value to NZ provided by Aviation
- The benefits of membership
- Ability to communicate with younger generation
- Compliance (CAA)



4. Increase Customers

- Marketing of the skills and services of SSE members

5. Recruitment

- Increasing the membership of the SSE division.

I'd like the the executive committee and members for their involvement during the year.

Maurice Gordon

Chairman

Training & Development Division Report

Executive Committee

Chairman: Gordon Alexander – Aspeq.

Committee: Ashok Poduval – Massey School of Aviation, Ian Calvert – Ardmore FS, Giles Witney – Nelson Aviation College, Peter Randle – International Aviation Academy, Sharon Cooke – Airways NZ, Richard Small – Waikato Aero Club, Peter Stockwell – CTC Aviation, Ben Langley – NMIT, Mike Newman – Ardmore FS, Allan Moulai - ServicelQ and Richard Beaton - RNZAF appointee.

Divisional Meetings

The division met in July at Queenstown, November at Christchurch and March at RNZAF Base Whenuapai.

The division maintained its practice of focusing on a small number of items to achieve progress.

Highlights

1. Integrated Professional Pilot Training Programme.

- It had been a divisional priority, working with CAA, to develop a pilot training programme that was EASA Pt 141-aligned and which improved the international competitiveness of the NZ pilot training industry. The new programme was implemented by CAA as a policy change in March 2016. Schools are now encouraged to submit expositions.

2. Qualification Review.

- A review of the pilot training qualification is required by NZQA. This process, also involving employers of low hour pilots, was kicked off with ServicelQ in February.

3. Risk Profile

- The profile generally improved as the division addressed a number of the higher priority items that brought down the profile.

4. Regulation.

- The refund of GST on B2B contracts, implemented by IRD on 1 April 2014 has been 'operationalised' in such a way that few contracts comply. Work was undertaken with input from a broad range of trainers. This is ongoing.

-
- Visas. NZQA changed English language requirements with effect from October 2015. We were not consulted. This has caused problems with visa applications in several markets. We are now working with NZQA, NZIS and Education NZ to reach a solution.
 - The Whole of Government Aviation Group is working with us in both areas. Their involvement has been very important.

5. Sharing Knowledge/Transferring best practice Ideas developed and progressed during the year included:

- Airways making collaboration concepts and documentation available to members,
- Members assessing the applicability of the Airways online knowledge sharing platform,
- Learning from dual flight training accidents,
- Sharing RNZAF instructor learning with the commercial sector to develop a 'super' qualification which instructors could aspire to,
- A common approach to rotary training, and New Southern Skies and the implications for GA and professional flight training.

Summary

This year, we have continued to focus on a workable number of areas to achieve further progress.

There are continuing challenges ahead as we develop the division. However, I've welcomed the support of the Executive Committee and the broader membership who once again volunteered so willingly to be part of the work groups set up by the Executive Committee to progress the various initiatives. Your ongoing enthusiasm and commitment will help us confront 2016/17 and its' attendant challenges.

Two of our executive committee members have changed their employment status during the period and so we will await their advice as to their continuing involvement with the division and the committee. These members are Peter Randle and Richard Small.

Thank you to the executive committee and membership for your involvement during the year.

Gordon Alexander

Chairman

UAVNZ Divisional Report

Executive Committee

Chairman: Shaun Mitchell - Altus UAS

Committee: Kelvin Barnsdale - Canterbury University, Barbara Breen - AUT, Linda Bulk - Aeronavics, Bruce Clarke - Incredible Images, Andy Grant - ASG E-Guard, Richard Longley - AON Insurance, Phillip Solaris - X-Craft, Justine Whitfield - Airways NZ, Richard Milner - HFT Aerospace, and Chris Thomson - Callaghan Innovation.

Divisional meetings

The Executive met in Auckland in August, October and February.

UAVNZ is the collective industry body that represents the interests of Commercial UAV operators in NZ. At 31 March there were 29 members and 38 associate members.

Our purpose is to maximise the benefits from UAV technologies and develop a world-class UAV industry in New Zealand. We do this by:

- Connecting: suppliers and customers, hosting forums and networking events
- Promoting: UAV companies and services, the benefits of UAV technology and safe and professional operating practices
- Supporting: companies by providing templates and standards, engaging with CAA and the wider aviation industry

Highlights

This was the first full year of operation of UAVNZ. The focus has been on getting the foundations right and starting to deliver benefits to members to encourage their further engagement.

1. Connecting

- Conference in Queenstown
- Workshop with Privacy Commission

2. Promoting

- Press releases, concerning CAA Rules, incident reporting and safe practices
- Several media interviews by the chairman



3. Supporting

- Membership policy developed in October
- Code of conduct articulating values – safety, quality, sustainability, collaboration, education and development and code of behaviour implemented in December
- Privacy template introduced in March
- Interaction with agencies including Fire Service, NZ Police, Privacy Commission, Department of Conservation

Thank you to the executive committee and membership for your involvement during the year.

Shaun Mitchell

Chairman