

In Confidence

Office of the Minister of Transport

Cabinet Economic Policy Committee

Release of consultation documents on Civil Aviation Authority funding sustainability and alternative delivery arrangements for the Aviation Security Service

- 1 I seek the Committee's agreement:
 - 1.1 for the Civil Aviation Authority (the Authority¹) to release the attached consultation document 'Civil Aviation Authority funding review consultation document - 2024', which includes proposals that will affect aviation levies, fees and charges (refer Appendix 2)
 - 1.2 for the Ministry of Transport (the Ministry) to release the attached discussion document 'Investigating alternative delivery arrangements for aviation security services', which seeks stakeholder views on alternative delivery models for aviation security services (refer Appendix 3).

Relation to government priorities

- 2 The Government is committed to deliver better results and improved public services for New Zealanders, while managing within tight fiscal constraints. Value for money delivery of services and fiscal sustainability expectations apply to all public services, including those that are funded through third party fees, charges and levies such as the Authority.
- 3 The attached documents are focused on the delivery of improved performance and strict fiscal discipline by the Authority. The proposals that are outlined in the attached consultation document 'Civil Aviation Authority funding review consultation document - June 2024' enable the Authority to return to financial self-sustainability and address the significant cost increases the Authority has faced over the last few years. The Ministry's discussion document canvasses different ways to deliver aviation security services to bring better value for money and a stronger focus on efficiency by the Authority.

Executive Summary

- 4 I am committed to returning the Authority to self-sustainability by 1 July 2025. Since 2020, the Crown has provided nearly half a billion dollars of funding to the Authority to maintain service levels, due to a sudden and dramatic loss of revenue from passenger levies because of the COVID-19 pandemic and to ensure the Authority remains a going concern under section 51 of the Crown Entities Act 2004. Levies, fees and charges that fund the Authority were last set in 2017 and 2019 for the CAA and AvSec respectively.

¹ The Authority refers to the Civil Aviation Authority as a whole; AvSec refers to the Aviation Security Service, a business group within the Authority; CAA refers to the remainder of the Authority excluding the AvSec business group - this includes both the safety and security regulatory oversight functions as well as corporate support functions for the whole Authority.

IN CONFIDENCE DRAFT

- 5 Inflation, changing security standards and other cost pressures since then mean that a large increase is now unavoidable. Based on the Authority's forecast expenditure, it would accrue a funding shortfall of \$300.9m between 1 July 2025 and 1 July 2027, if aviation levies, fees and charges remain at their current rates.
- 6 I am aware that the increases proposed in this consultation document are significant and come at a time when aviation businesses are also facing cost increases in other areas. I am committed to keeping these cost increases as low as possible. I have made this expectation clear to the Authority's Board.
- 7 I am concerned that the Authority has experienced significant growth over several years and has not had sufficient focus on performance and efficiency. I expect people and organisations operating within the civil aviation system to receive much better levels of service, including faster processing times, going forward. I am also not convinced the Authority has taken all practical steps to find savings within its baseline.
- 8 I intend to have a sustained focus on delivering better performance and value for money at the Authority throughout this term of Government. This includes a significant refresh of the Authority's Board, s 9(2)(f)(iv) enhanced performance reporting and monitoring, and considering different ways of delivering services.
- 9 I directed the Ministry to undertake an independent assessment of the Authority's funding proposals to provide me with assurance that the proposals have been accurately costed, are aligned with the Government's expectations, and represent good value for money. As a result of the independent assessment, the proposals set out in the attached consultation document have been amended from those that were presented to me earlier this year, with several proposals and a total of 162.6 Full Time Equivalent (FTEs) removed or deferred between 1 July 2025 and 1 July 2027, in recognition of the difficult economic environment.
- 10 The proposals set out in the attached consultation document 'Civil Aviation Authority funding review consultation document – June 2024' are an interim adjustment and cover a two-year period between 1 July 2025 and 1 July 2027. The interim proposals ensure the Authority has sufficient resource to undertake its functions while further work takes place to ensure the Authority is right-sized for the future.
- 11 I also intend to undertake further work to improve efficiency and performance of aviation security services. Alongside the interim pricing review, I propose to release a complementary discussion document 'Investigating alternative delivery arrangements for aviation security services seeking targeted stakeholder feedback on different approaches to outsourcing of aviation security services to ensure better value for money and a strong focus on efficiency. This will involve identifying opportunities for airports and/or airlines to take responsibility for some of the functions currently delivered by Avsec. This model is provided for in the Civil Aviation Act 1990 (and will be retained in the Civil Aviation Act 2023 when it comes into force) but it has never been implemented.

Background

New Zealand's aviation system plays a vital role in supporting our economy.

- 12 The aviation sector is an important gateway to New Zealand. It generates economic growth, facilitates international trade, and supports one of our largest economic earners, tourism. Our aviation sector is expected to continue to grow, innovate and adapt through greater use of new technologies that are transforming the aviation sector globally. Within this aviation system, the Authority has a vital role to play in making sure that our skies are safe and secure.
- 13 The Authority is a Crown Entity, established under the Civil Aviation Act 1990, that oversees aviation safety and the Civil Aviation rules. The Authority is funded almost entirely by levies, fees, and charges collected from participants in the aviation sector, including airlines, pilots, and aviation organisations. The Authority typically undertakes a funding review every three years, alternating between comprehensive reviews which consider the policy basis and mechanisms of cost recovery, and mid-point pricing reviews. The last funding review was completed, and its recommendations implemented, in 2017 for CAA and 2019 for AvSec.
- 14 Since 2020, the Authority has been dependent on a Crown liquidity facility totalling nearly half a billion dollars of funding to cover a shortfall in revenues resulting from the collapse in air travel during the COVID-19 pandemic and the previous Government's decisions around curbing the impacts of COVID-19 in New Zealand. An extension to the Crown liquidity facility was required in Budget 2024 to bridge the gap while work progresses at speed on the Authority's interim pricing review.
- 15 The interim pricing review re-establishes a sustainable funding model for the Authority after several years of unprecedented disruption, to restore the Authority to full cost recovery. Given the urgency of filling the funding gap when Crown funding comes to an end, the scope of the current review has deliberately been kept as tight as possible, and I am not considering broader changes to the funding model now.
- 16 The interim pricing review comprises three key stages: proposals for public consultation, post-consultation refinement of proposals and implementing changes to regulations. Once the interim pricing review has progressed, I will undertake a more comprehensive second-stage funding review to ensure that the Authority is right-sized for the future. The second-stage review will commence in 2025 and is intended to come into effect on 1 July 2027. The second-stage review will have a broader scope and is an opportunity to consider further changes to the Authority's operating and funding model that will drive ongoing efficiency improvements in the Authority and the aviation sector, ^{s 9(2)(f)(iv)} [REDACTED]

Civil Aviation Authority consultation document 'Civil Aviation Authority funding review consultation document - 2024'

- 17 The Authority's principal source of revenue are the levies charged to airlines on a per passenger basis, and fees and charges on its regulatory activities.

- 18 The Authority's budgeted expenses for 2024/25² is \$277.4 million (\$77.8 million is budgeted for CAA and \$199.3 million for Avsec). The Authority's forecast expenditure for 2025/26 is \$306.9 million and for 2026/27 is \$324.2 million³.

The levies, fees and charges were last set in 2017 for CAA and 2019 for AvSec

- 19 Since the levies fees and charges were last set:
- 19.1 **significant cumulative inflationary pressure** has occurred - to meet inflationary pressures alone, the passenger safety levy would need to increase by \$0.75, the domestic passenger security levy by \$1.98, and the international passenger security levy by \$4.08⁴.
- 19.2 **the Authority's reserves were depleted** (during the COVID-19 pandemic) – rebuilding its reserves⁵ should occur through levies, fees and charges, rather than Crown funding. The shortfall of \$101.6m for the delivery of CAA's regulatory function includes \$10.1m (9.9%) to rebuild CAA reserves. The shortfall of \$199.3m for AvSec includes \$32.2m (16.2%) to rebuild AvSec reserves.
- 19.3 **costs and complexity of maintaining aviation safety and security have increased** - there are new security technologies and increased screening needed to meet international standards, and an increase in the rate of screening of airline and airport staff.
- 20 Due to inflation, the need to rebuild reserves and changing security standards, an increase to levies, fees and charges is now unavoidable.
- 21 The Authority projects an overall funding shortfall of \$300.9m for the Authority across 2025/26 to 2026/2027. This consists of a shortfall of \$101.6m for the delivery of CAA's regulatory function, and \$199.3m for AvSec.

The interim pricing review is only focussed on resourcing the Authority's business-as-usual functions over the term of the of review - 2025/26 to 2026/2027.

- 22 The interim pricing review is not intended to fund any new functions or activities, except where they are necessary to meet international standards, regulatory requirements, or in areas where the Authority needs to respond to immediate pressures but a long-term funding source has not been scoped or identified, such as emerging aviation technologies.
- 23 For several years, New Zealand has been seeking to establish itself as a world-leader in emerging aviation technologies (that includes various types of drones, high-altitude and space launch vehicles, and electric, hydrogen and hybrid aircraft). The Authority has a key role in supporting the testing and deployment of these technologies. Emerging technologies are a rapidly growing sector within aviation but not adequately resourced. Sector demands and advancements in technology are moving faster than the Authority's resourcing model and rules development processes can respond to. Investment in this area is necessary to address a growing

² From CAA's 2024/25 Statement of Performance Expectations.

³ These figures don't include rebuilding of reserves.

⁴ The percentage increases have been determined based off HYEUFU 2023 CPI and WPI figures and have been weighted based on CAA and AvSec's proportion of personnel costs (WPI) and other costs (CPI).

⁵ The Authority's reserves are used to respond to unexpected shocks (such as sudden changes in international security standards), fund capital asset replacement and manage working capital fluctuations.

backlog of applications. This pricing review enables the Authority to grow emerging technologies certification capacity by 6 FTE from 1 July 2025 as an interim solution, while further work is undertaken to develop a business case to determine the right size and an appropriate funding model for this function.

24 The proposed increases to levies, fees and charges in this consultation document are significant and come at a time when aviation businesses are also facing cost increases in other areas. I am committed to keeping these cost increases as low as possible.

25 I have made this expectation clear to the Authority's Board, and the proposals set out in this document have been amended from those that were presented to me earlier this year with several proposals removed or deferred in recognition of the difficult economic environment. Through this process the number of proposed additional FTEs was reduced by 162.6 to 237 FTE:

25.1 For CAA, the number of proposed additional FTE is now 44 consisting of:

25.1.1 24 FTEs to ensure acceptable certification wait times

25.1.2 6 FTEs to grow emerging technologies certification capacity (refer paragraph 23)

25.1.3 4 FTEs to undertake new legislative requirements relating to drug and alcohol management and unmanned aircraft threat mitigation

25.1.4 3 FTEs to service international responsibilities

25.1.5 7 FTEs to reduce inefficiencies and burdens in the regulatory framework.

25.2 For AvSec, the number of proposed additional FTE is now 193^{s 9(2)(b)(ii)}. The Authority confirms these additional roles will ensure that AvSec is able to maintain its focus on keeping queues at screening points to an acceptable standard and achieve under 10-minute wait times 95 percent of the time.

26 While a large proportion of the increases to levies, fees and charges is non-discretionary, a portion of the increase has been driven by decisions that were made by the Board and endorsed by the previous Government to increase capability and capacity in several areas. There is limited scope to reduce proposed increases to the levies, fees and charges further in this funding round. However, the second stage review provides the opportunity to ensure that the Authority is right-sized and demonstrates strict financial discipline.

27 I have made it clear to the Authority that I expect it to have a much stronger focus on controlling costs and lifting performance going forward. I expect people and organisations operating within the civil aviation system to receive much better levels of service. To ensure transparency, I intend to require the Authority to publish key levels of service performance at regular intervals including, but not limited to:

27.1 **Security screening wait times:** AvSec delivers sufficient screening capacity to meet passenger demand, and average wait times of 10 minutes or less, more than 95 percent of the time. By comparison, in June 2024, 87 percent of

s 9(2)(b)(ii)

domestic passengers and 77 percent of international passengers were screened within 10 minutes at Auckland airport.

27.2 **Certification processing times:** CAA processes more than half of all new applications for all certification types within 20 working days from receipt of application, more than 70 percent within 40 working days from receipt of application and more than 90 percent within 120 working days from receipt of application. By comparison, 26.88 percent of new applications for all certification types were processed within 20 working days during 2023/24.

28 I am seeking to improve performance reporting across the aviation sector, not just at the Authority. The Ministry of Transport is developing a monthly airline and airport on-time performance report. It will provide information on on-time arrivals, departures and cancellations. The data is sourced from the analytics firm Cirium and is based on internationally comparable and standardised definitions of performance. Other countries, including Australia, publish similar reports. The Ministry intends to commence publication in August 2024. Officials are also exploring options to introduce public reporting on airfares.

29 I have set clear expectations for the Board through the performance measures set out in the Authority's 2024/25 Statement of Performance Expectations and am in the process of confirming a significant refresh of the Authority's Board.

30 I expect that feedback from the aviation sector on the consultation document will inform where there may be more opportunities to reduce the proposed increases levies, fees and charges further during this funding round.

The Authority is proposing to consult on four different cost allocation options for each of the CAA and AvSec

31 The Authority proposes to consult on four different cost allocation options for each of the CAA and AvSec, to meet the forecast funding shortfall, replenish reserves, and return to sustainability (refer Appendices 1 and 2).

32 For the CAA, the key choice is whether the funding shortfall is met by levies collected on a per passenger basis and paid by airlines only, or a combination of passenger-based and other safety levies, fees and charges paid by other participants in addition to airlines. ^{s 9(2)(f)(i)}

33 For AvSec, the key choice is around how costs are allocated between domestic and international passengers. ^{s 9(2)(f)(iv)}

34 The consultation document also includes the underlying assumed passenger volumes so that industry can provide feedback on the projections, and reference to key service delivery performance measures so that industry is aware of the level of service they can expect when the new levies, fees and charges come into effect.

There are several risk considerations associated with the 2024 interim pricing review.

35 Predicted future air passenger volumes are an important input into the Authority's funding model. Due to many factors, including international geo-economic factors, air passenger volumes can be highly volatile. Once consultation on the proposals in the

interim pricing review is complete, final levies, fees and charges may need to be adjusted to reflect the most recent revenue forecasts.

- 36 If passenger numbers exceed the Authority’s forecasts as economic conditions improve, I expect the Authority to use the additional revenue received through CAA Safety levies to replenish its reserves as soon as possible. Once those reserves have been replenished, I expect the Authority to retain any surpluses ahead of the Stage 2 review in 2027, so that surpluses may be returned to industry through price decreases.
- 37 If passenger numbers are lower than forecast, this would reduce the Authority’s revenue over the next two years. If this occurs, I expect the Authority to take steps to reduce its expenditure. The lower passenger numbers will also be reported to Cabinet for consideration as part of the final policy decisions ahead of the Stage 2 Review in 2027.
- 38 The increase in levies, fees and charges, whether it is borne by aircraft operators or their customers, is likely to cause concern. The increase in levies could have an impact on demand for air travel, particularly for price-sensitive leisure travellers in domestic or short-haul international markets. We expect airlines to oppose the proposals, particularly as it will come on top with other cost increases in the aviation sector including a proposal for a large increase in landing fees at Auckland Airport and a potential increase to the International Visitor Levy. Careful communication in the consultation document, balancing the impact of unavoidable cost increases, the need for reduced Crown funding, and showing an immediate and ongoing strong commitment to finding further savings will help mitigate this risk. The Ministry’s Avsec discussion document (refer paragraph 35 below) is focused on finding further savings through improving the efficiency of aviation security delivery. Consultation on both documents will occur in parallel.

Final policy decisions on new levies, fees and charges will be sought in late 2024

- 39 The table below sets out the indicative timeframes for the remaining stages of the interim pricing review.

| | |
|---|-------------------------------|
| Public consultation commences | 19 August 2024 |
| Cabinet approval of final levies, fees and charges and drafting instructions issued to Parliamentary Counsel Office. | 12 November – 9 December 2024 |
| LEG paper to approval final levies, Cabinet approval of final levies, fees and charges, and Order in Council signed. Levies notified in NZ Gazette. 28-day minimum notice period begins | 23 April – 1 July 2025 |
| New levies come into force | 1 July 2025 |

Investigating alternative delivery arrangements for aviation security screening services in New Zealand

- 40 Currently, AvSec is the sole provider of aviation security services in New Zealand. However, a range of different models are used internationally. There is flexibility in the Civil Aviation Act 1990 (which will be retained in the Civil Aviation Act 2023) for airports and/or airlines to deliver aviation security functions, but this mechanism has

never been implemented. While having one provider ensures consistency of service across New Zealand, this model may not provide sufficient incentive to operate efficiently.

- 41 To complement the consultation being undertaken on the 'Civil Aviation Authority funding review consultation document - June 2024', I am seeking approval to release a discussion document for targeted consultation that sets out different approaches for outsourcing aviation security service functions to airports and airlines, as allowed for under the Civil Aviation Act 2023, which comes into force next year.
- 42 The attached discussion document canvasses different outsourcing approaches, including:
- 42.1 airports delivering aviation security services
 - 42.2 airlines delivering aviation security services
 - 42.3 a mixed model where both airlines and airports deliver aviation security services.
- 43 I want to use this opportunity to test the appetite of industry to take on a role in aviation security services, including seeking the views of those who are enabled to deliver these services after the new Act comes into force. I will report back to Cabinet on the outcome of the targeted consultation.

Consultation on both documents will happen in parallel

- 44 The Authority is leading the consultation on the attached consultation document 'Civil Aviation Authority funding review consultation document - 2024' that includes proposals that will affect aviation levies, fees and charges. I propose consultation will occur over a 5 to 6-week period, commencing no later than 2 September 2024.
- 45 The Ministry is leading the consultation on the attached discussion document 'Investigating alternative delivery arrangements for aviation security screening services in New Zealand'.
- 46 I expect many stakeholders to have an interest in both consultation documents, and there will be opportunities to undertake joint engagements to make the consultation process easier for stakeholders. I propose consultation on this document will occur in parallel, with the interim pricing review document, and follow the same timeframes.
- 47 Feedback on the Ministry's discussion document will not have a direct impact on the interim pricing review but will inform the scope of the second stage funding review.

Cost-of-living Implications

- 48 There are no direct cost-of-living implications from releasing the Authority's consultation document 'Civil Aviation Authority funding review consultation document - 2024' and the Ministry's discussion document 'Investigating alternative delivery arrangements for aviation security screening services in New Zealand'.
- 49 However, the proposed levy increases outlined in the interim pricing review will have an impact on cost-of-living, in the short term. For example, most commercial passenger flights are subject to both the passenger safety levy and the relevant

domestic or international passenger security levy. The increase in levies will likely be passed on to consumers through higher airfares.

- 50 The short-term impact of the proposed levy increases on cost-of-living should be balanced against the need to reduce the level of Crown funding and delivery of value for money by the Authority throughout this term of Government, including considering different ways of delivering AvSec services.

Financial Implications

- 51 The proposals in the interim pricing review consultation document return the Authority to self-sustainability by 1 July 2025, thereby avoiding the need for further Crown funding.
- 52 However, there are no immediate financial implications from releasing the Authority's consultation document 'Civil Aviation Authority funding review consultation document - 2024' and the Ministry's discussion document 'Investigating alternative delivery arrangements for aviation security services'.

Legislative Implications

- 53 There are no legislative implications from releasing of the Authority's consultation document 'Civil Aviation Authority funding review consultation document - 2024' and the Ministry's discussion document 'Investigating alternative delivery arrangements for aviation security services'. Legislative proposals may follow consultation.
- 54 After consideration of consultation feedback, Cabinet approval for the final new levies and the relevant changes to the regulations will be sought. Implementation of the proposed changes will require amendment to the Civil Aviation (Safety and Security) Levies Order 2002 to include the new charges as levies and rename the Order and possible amendment of the Civil Aviation Charges Regulations (No 2) 1991. New levies will come into force on 1 July 2025.

Impact Analysis

CRIS related to the CAA's funding review

- 55 The CRIS related to the CAA's funding review was reviewed by a panel of representatives from the Ministry of Transport. It has received a 'not meets' rating against the quality assurance criteria for the purpose of informing Cabinet decisions.
- 56 The CRIS is not able to meet the quality criteria because of a lack of justification of the scale of immediate and forecast FTE growth and a lack of discussion on feasible options for efficiency gains within existing operations. Additionally, the inflation assumptions and how much of the passenger service levy is used to subsidise other services is not clear. These evidence gaps may be a focus of submissions if the CRIS proceeds to public consultation. The post-consultation CRIS will provide the CAA with an opportunity to address these aspects. Also, the current funding review is an interim funding review, a more comprehensive second-stage funding review will commence in 2025 and is intended to come into effect on 1 July 2027.

RIS related to the alternative delivery arrangements for aviation security screening services

- 57 The interim Regulatory Impact Statement (RIS) has been reviewed by a panel of representatives from the Ministry of Transport. It received a 'partially meets' rating against the quality assurance criteria for the purpose of informing Cabinet decisions.
- 58 The panel considers that the interim RIS provides a sufficient basis for informed decisions on the current proposal. However, there is a lack of quantified information provided about the current problem and the impacts of the options. Public consultation will be an opportunity to gain more evidence to support the final RIS. The RIS also does not consider all feasible options for addressing the problem identified. The scope is limited to the options directed by the Minister.

Climate Implications of Policy Assessment

- 59 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this proposal. As the proposal progresses, the CIPA team will be kept updated and will perform a CIPA assessment when/if appropriate.

Population Implications

- 60 There are no population implications from release of the consultation document 'Civil Aviation Authority funding review consultation document - June 2024' and discussion document 'Investigating alternative delivery arrangements for aviation security services'.

Human Rights

- 61 There are no human rights implications from release of the consultation document 'Civil Aviation Authority funding review consultation document - June 2024' and discussion document 'Investigating alternative delivery arrangements for aviation security services'.

Use of external resources

- 62 Accounting expertise was brought in-house by the Ministry of Transport to support the 2024 pricing review.

Consultation

- 63 The Treasury, Ministry for Primary Industries, Ministry of Business and Development, Te Puni Kōkiri, New Zealand Customs Service, Ministry of Foreign Affairs and Trade, New Zealand Police, and senior staff from the Civil Aviation Authority were consulted on the Cabinet paper and the Authority's consultation document 'Civil Aviation Authority funding review consultation document - 2024'. The Department of the Prime Minister and Cabinet was informed.
- 64 The consultation document 'Investigating alternative delivery arrangements for aviation security services' was not consulted on with Departments as it is still under development.
- 65 The Ministry of Business and Development and the Ministry for Primary Industries noted that there may be consultation fatigue due to several aviation related

consultations that are happening concurrently, such as consultation on Border Processing Levies and cost recovery for new or re-starting international airports.

Communications

- 66 With Cabinet's agreement, the Authority will publish the 'Civil Aviation Authority funding review consultation document - 2024' consultation document, along with supporting information, on its website, and will contact stakeholders to invite submissions. Targeted meetings will also be held with sector representative groups. Consultation is planned to run from as soon as the discussion document is revised to reflect any Government feedback and decisions.
- 67 With Cabinet's agreement, the Ministry will undertake targeted consultation in parallel on the discussion document 'Investigating alternative delivery arrangements for aviation security services' with key members of the aviation sector, including main airports and aviation peak bodies.

Proactive Release

- 68 Following Cabinet agreement to this paper I intend to release it on the Ministry of Transport website.

Recommendations

- 69 The Minister of Transport recommends that the Committee:
1. **agree** to the Civil Aviation Authority releasing the attached consultation document as part of its consultation with stakeholders about proposed increases to aviation levies, fees and charges for 2025/26 to 2026/2027
 2. **agree** to releasing the attached discussion document 'Investigating alternative delivery arrangements for aviation security services'
 3. **agree** that the Minister of Transport and the Minister of Finance may approve the release of the 'Civil Aviation Authority funding review consultation document – 2024' consultation document attached, subject to any editorial changes to the draft consultation document, to enable consultation to progress as quickly as possible
 4. **note** that I intend to require the Civil Aviation Authority to publish monthly reporting, including reporting on wait times for security screening, and processing times for certifications, from August 2024
 5. **note** that, from August 2024, the Ministry of Transport intends to publish monthly 'on-time' performance data of airlines and airports
 6. **note** this paper will be proactively released following Cabinet agreement
 7. **note** I will come back to Cabinet seeking approval of final levies and with next steps on the AvSec aviation security delivery model.

Hon Simeon Brown

Minister of Transport

Appendix 1 proposed increases in levies, fees and charges under each option for CAA and AvSec

| Option (CAA) | Current passenger levy | Proposed passenger levy | Percentage increase in passenger levy | Percentage increase in 'other levies, fees, and charges' ¹⁷ |
|-------------------------------|------------------------|-------------------------|---------------------------------------|--|
| Option One | \$1.60 | \$1.60 | 0% | 0% |
| Option Two (Preferred option) | \$1.60 | \$3.94 | 146% | 47% |
| Option Three | \$1.60 | \$3.67 | 129% | 130% |
| Option Four | \$1.60 | \$4.09 | 156% | N/A |

| Option (AvSec) | Domestic / International | Current passenger security levy | Proposed passenger security levy | Percentage increase in safety levy |
|-------------------------------|--------------------------|---------------------------------|----------------------------------|------------------------------------|
| Option One | Domestic | \$6.57 | \$6.57 | 0% |
| | International | \$13.12 | \$13.12 | 0% |
| Option Two (Preferred option) | Domestic | \$6.57 | \$11.03 | 68% |
| | International | \$13.12 | \$22.74 | 72% |
| Option Three | Domestic | \$6.57 | \$6.57 | 0% |
| | International | \$13.12 | \$26.49 | 102% |
| Option Four | Domestic | \$6.57 | \$16.51 | 151% |
| | International | \$13.12 | \$16.51 | 26% |

MINISTRY OF TRANSPORT AND INFRASTRUCTURE
 PROACTIVELY RELEASED BY TE MANATU WAKA

Appendix 2 'Civil Aviation Authority funding review consultation document - June 2024' Consultation Document

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Appendix 3 'Investigating alternative delivery arrangements for aviation security services' discussion document

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