Civil Aviation Authority

Terms of reference for review by State Services Commissioner

Introduction
The Civil Aviation Authority ("the CAA") is established under the Civil Aviation Act 1990.

The CAA’s principal function is the promotion of safety in civil aviation, at a reasonable cost. In furtherance of that function, the CAA is responsible for, among other things, establishing safety and security standards relating to the civil aviation system, and monitoring adherence to those standards.

The Director of Civil Aviation also has specific statutory functions and powers relating to the control of entry to the civil aviation system through the issue of aviation documents and enforcement of the requirements of the Act which includes monitoring of performance through inspections and audits.

Background to Review
In May 2002, following the conduct of a Special Purpose Inspection and the Director’s suspension of aviation documents related to an aviation company, a person employed by the CAA as a Flight Operations Inspector, who was also the Team Leader for the inspection, entered into an agreement with that company to assist it in the preparation of certain manuals necessary to obtain an air operator certificate under the Civil Aviation Act.

The Chairman of the CAA has asked the State Services Commissioner to review the conflicts of interest on the part of the Flight Operations Inspector and/or the CAA. The Chairman’s request is made under section 11 of the State Sector Act 1988.

Terms of reference

Conflict of interest
To review and make recommendations regarding:

1. The CAA’s internal policies and procedures for identifying and managing conflicts of interest, current in May 2002, with particular regard to:
   1.1 whether those procedures adequately identified the conflicts likely to arise in a regulatory and monitoring agency such as the CAA;
   1.2 whether there was a conflict of interest in the case in question;
   1.3 whether those procedures were appropriate, effective and followed in that case;
   1.4 whether the Director acted properly in that case.
The adequacy of the CAA’s current policies and procedures for identifying and managing conflicts of interest.

Special Purpose Inspections and Investigations
To review and make recommendations regarding:

3 The adequacy of CAA’s internal practices, including policies and procedures, for the conduct of:
   3.1 Special Purpose Inspections, and
   3.2 investigations relating to the suspension of aviation documents,
   with regard to the case in question or to any other case that may be drawn to the reviewer’s attention.

4 Whether those internal practices, policies and procedures relating to the conduct of Special Purpose Inspections, and investigations relating to the suspension of aviation documents were appropriate, effective and followed in the case in question.

General
5 Any other matter concerning the CAA, including the Board, the Director or the employees of the CAA that the reviewer considers relevant to the foregoing questions.

Reviewer
Douglas White QC
Appointed by the State Services Commissioner pursuant to section 25 of the State Sector Act.

Under section 25 of the State Sector Act, the Commissioner and persons he appoints under section 25(2) of the State Sector Act have the same powers to summon witnesses and to receive evidence as are conferred on a Commission of Inquiry by the Commissions of Inquiry Act 1908.

Timing
The reviewer will report and make recommendations on the matters listed above by 16 September 2003.

Michael Wintringham
State Services Commissioner

26 June 2003