

PRESIDENT'S REPORT

For the New Zealand Air Line Pilots Association, the 2021/22 financial year was arguably the most testing of our 77-year history. As I write this annual report it is done with sadness and anticipation as the industry that we are all so passionate about climbs out of the coma that we were forced into. 2020, which will recess into history and be known as the year of the COVID pandemic, and memories will fade as to how significant this crisis was for our people and families. There is an ancestral Māori saying that I feel is very pertinent to our current situation, "Ehara taku toa i te toa takitahi, he toa takitini", my strength is not as an individual, but as a collective. That has been very much the story of the last two years. Pilots, Air Traffic controllers and Flight Service operators have worked tirelessly to save what little was left. "He waka eke noa" essentially meaning, we were all in this canoe together.

As we have encouraged and supported each other through the last two years, our wellbeing and resilience has increased, and NZALPA as an organisation is more confident to make our contribution to the New Zealand political and global community. As the industry begins to expand out from under the COVID cloud, we expect to be one of the leaders looked to for leadership and strength.

Sorrow – as last month I accepted the resignation of Dawn Handforth, our General Manager. Dawn has been one of the vertebra in the backbone of ALPA over the last two difficult years. She has worked tirelessly for each and every member where required, through both the lowest hours and been able to celebrate the small successes as they have come along. Dawn started with ALPA back in 2000 as a Legal Officer and in 2015 took over as General Manager. She is a confidante and a friend to ALPA and to all past and present Principal Officers who have held office over the last 20 years.

Ngā mihi maioha

As the President, I along with the organisation have committed that we



NZALPA President Andrew Ridling.

will ensure a pathway is provided for all our members and their families back to the careers they have chosen. COVID has disrupted the economy, impacted many businesses, locked down millions of people and closed boarders. The impact was unprecedented in its depth and speed of its impact. I hear many stories of businesses failing and industries being decimated, but it is very hard to look past by the global airline industry for the last two years.

The pandemic has forced relationships with the executive teams of our employers as well as regulators and politicians. A saying I have quoted regularly during this time has been

There is an ancestral Māori saying that I feel is very pertinent to our current situation. "Ehara taku toa i te toa takitahi, he toa takitini", my strength is not as an individual, but as a collective. That has been very much the story of the last two years. Pilots, Air Traffic controllers and Flight Service operators have worked tirelessly to save what little was left.

"ALPA needed to ensure we were at the table and not on the menu". If that meant breaking a few doors on the way in, then we did and through that we have established some very productive and long-lasting alliances with several people and organisations. Unfortunately, I am concerned that in some business areas and relationships, the damage is just irreparable, as well as unrepairable.

The words 'irreparable' and 'unrepairable' are synonyms and adjectives, meaning unable to be fixed. 'Unrepairable' is used in reference to a broken object, 'Irreparable', on the other hand, is mainly used in reference to circumstances or relationships. It may sound harsh, but sometimes it's better to let a relationship go rather than labour to salvage it. NZALPA needs to make sure our effort is going to pay off for the best interests of our members and the organisation. While this may sound like a cold calculation, rebuilding a business relationship after such a difficult time like COVID is different from regaining trust from a friend. Emotional attachment may be important to personal relationships, but in the business world, both parties need to bring something to the table so the relationship can thrive and be mutually beneficial.

Actions Speak Louder Than Words. In a demonstration of how things have needed to change, I need to reach out and endorse, as well as thank, those from our larger employer groups that have amiably gone out of their way to work with ALPA to help the air traffic controller and pilot communities and their families through the pandemic. I would like to thank the following for their incredible leadership skills: Greg Foran, Nikki Dines and Carrie Hurihanganui (now CEO of Auckland Airport) from Air New Zealand. These three executives have always ensured pilots and their families were constantly top of mind in the decisionmaking process wherever possible.

At Jetstar, Tony MacDonald (the manager of Flights Operations in New Zealand) and Tim Faulkner (from

continued on page 3 ...

the Jetstar People team based in Australia) who regularly ensured our people were well informed.

Unfortunately, and to my earlier point, the relationship between Airways and New Zealand's air traffic controllers is close to sitting at the irreparable point, but we do need to thank Sally Williams for always reaching out and trying to find a way through what has been a very difficult period. As I enter my last year as President, I suggest to some of those that do not see the value in a relationship with NZALPA, "Any business relationship has potential, so they're almost always worth salvaging". We as pilots and air traffic controllers sit at the centre of the aviation industry. We have a very large part to play in the success of companies and their leadership teams. My advice would be to take the time to extend an olive branch and try to rectify the past mistakes. You don't want to be known as an organisation or individual that does not have the ability play well with others.

Our Annual Report is a chance for the membership to peruse the financial accounts of the Association. Like all other business in New Zealand, NZALPA has faced the same economic issues during the year. After our operational restructure in the previous financial year, we continued to review our expenditure throughout this year so that it remained less than our much-reduced income.

As a consequence of our tight fiscal management, NZALPA's cash position remains very strong but is reduced due to the purchase of 14 Amelia Earhart Avenue, our new ALPA house. Cash ratios still reflect the strong surplus delivered by the focus on expenditure and out goings and, in particular, the reduction in staffing numbers. This, though, will have an impact on membership benefits into the next financial year.

From a broad perspective, the organisation managed to achieve a great deal in 2021 despite the pandemic and it is well placed to continue delivering results in 2022.

NZALPA's percentage and industry participation levels continue to increase as pilots, air traffic controllers

NZALPA needs to make sure our effort is going to pay off for the best interests of our members and the organisation. While this may sound like a cold calculation, rebuilding a business relationship after such a difficult time like COVID is different from regaining trust from a friend. Emotional attachment may be important to personal relationships, but in the business world, both parties need to bring something to the table so the relationship can thrive and be mutually beneficial.

and flight service operators recognise the benefits of membership in our organisation. Figures across the industry reflect a 95% membership level and those numbers are only becoming stronger, as the positive profile of pilots, air traffic controllers and flight service operators continues to rise through establishing ourselves as the "voice of aviation". From a financial assessment, the organisation continues to add equity to its balance sheet through the delivery of healthy surpluses which provides a strong platform for future endeavours.

The purchase of ALPA house will now be visible to all members who drive down George Bolt Drive to Auckland Airport. Strategically, the NZALPA Board wants to ensure that as you drive to work you, as members, recognise that this is your Association. We are member-led and member-driven.

The concern the industry now faces has produced a new business phrase in the book of managements' mostused phrases: 'pent-up demand'.

Currently this phrase has a strong lead in the ranking of the most-used phrases in airline outlooks for 2022.

But it is about to be toppled from that position, as there is a new buzzword on course to take its crown as the northern hemisphere heads into its busiest months: 'operational resilience'.

Most people are familiar with the challenges that are now being faced by airlines globally as they scramble

to take advantage of the increased demand curve caused by the wider sector, especially regarding staffing shortages across the industry. There has been publicity across Australia, the US and the UK as demand for travel has well outstripped forecast and the industry has been caught short. There are not enough aircraft, pilots, or trainers to get the industry back to where it needs to be. This situation has been flagged with widespread acknowledgement of the demand issues among a number of airline executives in New Zealand, Australia and globally.

As the northern hemisphere moves into summer, European and British airlines are struggling with the demand proposition. European airlines have already flagged substantial operational challenges with the UK airlines reducing schedules by 10% to ensure operational resilience can be maintained.

The US airlines have already found themselves at similar levels with heavy flight cancellations and the corresponding criticism in the media from the travelling public. We are beginning to see that in New Zealand as a pilot shortage begins to bite.

This is all good news for our colleagues as we welcome those that were made redundant, or were furloughed, back to the industry that they profoundly did not want to leave.

continued on page 4 ...

At the end of May, the Industrial Director and I will attend the IFALPA annual conference in Singapore where there are expected to be in excess of 500 pilots representing 120 countries globally. This will allow the current critical issues being faced to be discussed and learnings and potential solutions to be brought back to New Zealand.

I have already discussed the enormous contribution made by Dawn and the hole that she will leave. Before Dawn leaves, she will help us restructure NZALPA so that it is an organisation set up for the next twenty years.

We have an amazing and dedicated staff who I have needed to work very closely with over the last two years. Leo Liu is our financial executive, ably supported by Angela Turner. I am very grateful for his forecasting planning and ability to ensure the organisation has kept its head above the waterline in the last two years. We also have a very dedicated legal team of Richard McCabe, Joy Walpole-Leva'a, John Hall, Rachel Piriou and Celia Gibson who have ensured all legal and contractual issues are kept abreast of.

At the end of every report, we focus on our representatives. This year has been extraordinary. My role as President has been made so much easier by the exceptional people that have supported me. I have witnessed



the hours of family time that have been lost by these individuals working tirelessly 12 hours per day, seven days per week, to conclude agreements and publish communications to both members and employers. They have worked relentlessly on behalf of the membership at a great cost to themselves, while they and their families were being equally affected by COVID. At the same time, all our employee groups were under pressure, as well as the organisation itself. It was immaterial what role individuals had been elected to - the iob was essentially the same. I cannot thank each one of these individuals enough on behalf of the membership:

- Vice President S/O Mike McGuire.
- Industrial Director Capt. Andrew McKeen
- IFALPA Director F/O James Jarvis
- ATC Director Mr Kelvin Vercoe
- Technical Director Capt. Hugh Faris
- Medical and Welfare Director Capt. David Church
- Secretary F/O James Jarvis

Finally, it is not missed or forgotten by anybody in NZALPA the extensive loss and hardship that has been placed on a lot of our members over the last two years. We are all aware of the number of members that have lost their jobs and careers because of COVID-19. We need to be part of the process that addresses the 'pent-up demand' and ensure 'operational resilience' by getting our pilots back to work. In our roles as pilot and air traffic control leaders we have never lost sight of the fact that we want all of our colleagues back in their positions, and we have maintained contractual terms and conditions to ensure that there is a very good career for them and their families to return to. I believe that will occur this year and I look forward to welcoming each and every one back.

Thank you.

ANDREW RIDLINGPresident

GENERAL MANAGER'S REPORT

When I reflect on the past 12 months it's hard to believe how much has been achieved, all while juggling a move to our new premises at Amelia Earhart Avenue and continuing to battle the challenges of COVID and, until recently, closed borders.

We have been involved in a vast and varied array of projects. As reported in December *Uplink*, our largest focus was our comprehensive submissions on the Civil Aviation Bill outlining the relationship between aviation safety and the regulatory management of the aviation sector. With the passing of the Incorporated Societies Act into



General Manager Dawn Handforth.

law in April, the Secretary and I have been reviewing the NZALPA Rules to align them with the new legislative requirements, with the intention of re-registering NZALPA under the new Act as soon as the revised Rules are approved by the membership. We are hoping for this to occur within the next few months. Furthermore, the Finance Manager has proactively been in discussion with our external auditors regarding the change of financial reporting requirements under the new Act and will work with them to ensure a smooth transition from our current Special Purpose reporting to Generally

continued on page 5 ...

Accepted Accounting Practice (GAAP) reporting using External Reporting Board (XRB) Standards.

During the year, a significant amount of work was spent advocating internationally on aviation issues important to NZALPA. Amongst others, this included advocating for the International Federation of Air Line Pilots Associations (IFALPA) to recognise the International Labour Organisation (ILO) Decent Work¹ Agenda as particularly pertinent to aviation and advocating for the development of aviation-specific Decent Work Agenda indicators. This work led to a NZALPA solicitor being appointed as Chair of the IFALPA Social and Labour Protections Working Group. We also provided counsel to an IFALPA Task Force concerning the safety culture implications of alterations of the Rules of the Air (ICAO Article 12) to facilitate better cross-border accountability; as well as participating in IFALPA's Climate Change Working Group and developing a technical position concerning measures to combat climate change within the international aviation industry.

Domestically, our quarterly meetings with senior management from the Ministry of Transport (MoT) and the Civil Aviation Authority (CAA), and the Minister of Transport/Minister of Workplace Relations continued to prove invaluable in progressing matters of importance to members. Issues traversed during the past 12 months have included (unsurprisingly) many COVID-related matters (such as alternative vaccinations, the Air Border Order, health and safety quarantine and isolation challenges for pilots, Key Safety Standards, vaccinated travel lanes, and continuation of the Maintaining International Air Connectivity Scheme) in addition to such varied issues as addressing the upcoming pilot shortage, improving the CAA Medical

process, replacing anonymous reporting with confidential reporting, addressing training and related concerns about the Aviation Security Service (AvSec), supporting training schools, addressing student loan issues, Airway's failed proposal to remove air traffic services from seven regional aerodromes and the Air Navigation System Review.

On this latter issue, while NZALPA was invited to work with government on this review and input into its terms of engagement, unfortunately the scope of the review is not broad enough to deal with the longstanding, deeprooted culture problems at Airways.

In addition to these regular meetings, NZALPA was also kept busy throughout the year with its involvement in the government's Plan to Reconnect New Zealanders, with our representatives participating in a cross-functional aviation forum with various government agencies (MoT, Customs, AvSec, Ministry for Primary Industry, Treasury, Ministry for Business, Innovation and Employment (MBIE), Ministry for Foreign Affairs and Ministry of Health) to discuss the ongoing pandemic response and recovery work. We also had useful meetings with National's Spokesperson for Transport and their new Leader.

Other interesting projects have included making a submission on the Auckland Light Rail Project highlighting the future need for an airport freight rail connection; advocating for greater recognition of the unique needs and opportunities of the New Zealand aviation sector in the NZ-UK Free trade Agreement; opposing the Smooth Hill (Dunedin) Landfill proposal due to the potentially serious threat to aviation safety arising from avian activity in close proximity to the airport; and raising awareness with MBIE about a potential threat to aviation safety arising from broadband internet interference with aircraft operational equipment.

The President has touched on our new office at 14 Amelia Earhart
Drive in his report. Since moving in on 1 March, the Finance Manager and I have been busy juggling day-to-day operations with organising the fit out. The staff have been very understanding in working in temporary offices on site while more fit-for-purpose space is created. The new ALPA House has much to recommend it over the old ALPA House and will meet ALPA's needs well into the future.

Finally, after 22 years with NZALPA, I will be leaving mid-August. I started with ALPA in 2000 as Legal Officer and in 2015 took over as General Manager. I have thoroughly enjoyed my time with this wonderful organisation and am grateful to have worked with an amazing team of dedicated aviation professionals over the years. I feel fortunate to be able to call many members my friends.

My thanks, of course, go to the staff. It has been a pleasure working alongside them all and witnessing on a daily basis the incredible work they do for the members. It has been a privilege working with President Andrew Ridling and I am particularly going to miss our many robust conversations! Andrew's drive throughout COVID, striving to ensure that the jobs of as many members as possible were saved, members' welfare looked after and NZALPA as an organisation continued to thrive, has been inspiring. Thanks must also go to the rest of the Principal Officer team and the Board of Management for their support.

The work NZALPA does is meaningful and important in so many ways, and I am proud to have had the opportunity to learn from, and be a part of, that.

I wish NZALPA and the members all the very best for the future.

DAWN HANDFORTH General Manager

This year also saw us establish a working partnership with the Flight Attendants Association of NZ (FAANZ), whereby we provide mentoring and professional advice to their leadership.

¹ Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men (https://www.ilo.org/global/topics/decent-work/lang--en/index.htm)

SECRETARY / IFALPA DIRECTOR'S REPORT

Another busy NZALPA year has evaporated and it is again time to reflect on what has been achieved. Well, we're still here in fine (albeit a somewhat reduced) form, located in a new building of our own, in a healthy financial state and rearing to go as the industry picks up.

There has certainly been a lot of change, particularly in the office and I'm mindful that at times this has had the potential to impact the service provided to our members. As you will probably be aware, there were several NZALPA staff redundancies resulting from the COVID downturn and this meant that the remaining staff and many of your representatives have had to step up and share the workload. Carina did a great job of keeping Membership on track whilst juggling the Board and other duties. She has now left us and her replacement Michelle starts in the office very soon. My thanks to Leo, Ange and Dawn for assisting and coaxing me along during the period, resolving the many membership and subscription matters that arise daily.

Whilst we have lost some long standing and loyal members we have continued to gain new members, some joining the industry for the first time. It is good to see some positive signs after such a devastating couple of years. Although we have many members who remain out of work in aviation and therefore on a fee waiver, that number has been reducing.

Membership continues to hover around the 2600 mark, and the recent statistics (as per our official union return – March 2022) are as follows:

Airline GA
1626 364

ATC / Flt services
370

Redundant Retired
48



Secretary / IFALPA Director James Jarvis.

For those of you who are interested in a further breakdown of distribution, you won't be surprised that the bulk of members (excluding retired members) are aged 26 to 64 (62 aged 65+), or that there are 2293 male and 278 female members. I find it more remarkable given the pandemic that we have 148 members with 0-2 years membership. Also, that 215 members have been with us for more than 30 years.

Every year I harp on about representation to anyone who cares to listen. As the NZALPA Secretary, I'm responsible for arranging and the oversight (deferring of course to our long-standing Returning Officer) of the nomination / election process to populate the many positions that constitute the guts of this organisation. So, I'm all too aware of the fact that we see very few new faces, often positions are uncontested (any nomination automatically fills the spot without the need for an election) and in some cases there is no nomination and so I am forced to re-advertise. There's nothing wrong with experienced representatives continuing in their roles, but eventually people do burn out. We need new blood to keep us prepared for the future.

However, I do think that it is vital for our Principal Officer positions to be filled by members with experience in some other aspect of the organisation, preferably at Board of Management level. It takes time to learn the ropes. We all lead busy lives and it is difficult for most members to find or justify the time and energy to volunteer, but please consider doing so when the opportunities arise as we need to keep growing new representatives and experience levels. The fact that NZALPA is a member-led organisation is certainly what sets us apart from other unions and, in my opinion, gives us a tangible advantage. Your representatives actually have 'skin in the game'.

There is no Conference scheduled for 2022. However planning has already begun for remits to be debated next year. One of these may have to revisit our current Branch Structure which, frankly, has never worked as intended.

To recap, the Branch restructure process started in 2016. It resulted in an overhaul of the previous system and this new structure was again amended at the 2019 Conference. Currently, the Rules allow for up to 25 Branches to be established around the country, with up to 5 within the Auckland area. Active Branches may elect a Branch Coordinator, Deputy Coordinator and, importantly, a Branch Conference Delegate. Branches are intended to provide a social focus and mutual support for those members resident in the Branch area.

Despite our best efforts to generate interest, only a handful of Branches were ever activated (but, having been activated by the required 10 signatures, some never actually met or functioned at all) and of these, the majority currently have no officers and exist in name only. In my opinion, the whole Branch concept has had its day. It adds significant workload and unnecessary complexity to the Rules and to our structure.

Currently, I also wear another hat as the IFALPA Director. As I outlined in the last Uplink, this is very much a coordination and oversight role at present. We have a handful of NZALPA subject matter experts who delve into the detail with IFALPA, for instance regarding the technical & safety, industrial, legal and Female

continued on page 7 ...

Pilots' Working Group matters. Although much of this goes on behind the scenes, it would be fair to say that the COVID environment has hindered progress on many fronts. Pleasingly, again we see some light at the end of the tunnel.

Whilst my thanks go to all those involved with our IFALPA activities, I'd like to take the opportunity to focus on two people.

Captain David Griffin has served as the Regional Vice President – South Pacific for the last few years but has decided to step down from the role after the May IFALPA Conference. This is a liaison role between the various member associations and Dave has also represented the region at other forums such as ICAO and IFATCA. Dave has done a great job and has certainly enhanced NZALPA's profile amongst our peers. NZALPA will now support the AusALPA candidate being put forward for the next term.

I'd also like to mention the efforts of staff member and solicitor, John Hall. John has a particular fascination with the legal complexities of all aspects of aviation, particularly at the global level and is fast developing his expertise and reputation in this area. John sits on the IFALPA Legal Committee (he is the Chair of the working group on social and labour protections) and recently attended their meeting in Buenos Aires (at IFALPA's cost). The situation is somewhat unusual in that John is one of our staff, rather than a member. However, we support his ongoing involvement as this enhances the credibility and expertise of our Association.



The fact that NZALPA is a member-led organisation is certainly what sets us apart from other unions and, in my opinion, gives us a tangible advantage.

In preparing for this report, I asked John for a summary of recent IFALPA initiatives and rather than plagiarise his work, I'll just repeat it here. Hopefully this will provide you with some idea of the extent of recent IFALPA activities and a hint at some of the risks that our industry faces.

This year saw a flurry of activity at IFALPA with significant work underway in relation to a number of topics.

The Climate Change Working Group chaired by Robert Brons (SNPL) has heard important presentations regarding the introduction of the USA Sustainable Aviation Fuels Grand Challenge and other European and American policies to address sustainable aviation.

The Professional and Government Affairs Committee (PGA), chaired by Daniel Dickson (ALPA-S), has been updated on IFALPA's work in relation to the Cooperative Oversight for Cross-border Operations Sub-Group at the International Civil Aviation Organisation (ICAO). This is an important group established to study the regulation of aircraft interchange, crew interoperability and cross-border group operations. Unfortunately, this is being perceived at ICAO as a technical matter (under the Air Navigation Bureau) whereas it has significant industrial implications, for example where a carrier has its Air Operators Certificate in one country and it employs workers in another. The PGA also heard reports regarding the work of the Air Transport Committee at ICAO which has been working on issues of concern regarding the development of the convention on foreign investment in airlines. Again, this is a topic that has

significant industrial ramifications. The PGA heard concerning reports about the activity of the New Zealand Government (and other Government representatives) in conducting state meetings on these topics without inviting IFALPA.

The Unmanned Aerial Systems (UAS)+ Working Group chaired by Jay Wells (USALPA) has proposed an advocacy strategy concerning the introduction of reduced crew operations. The Working Group reported on ICAO's Joint Authorities for Rulemaking on Unmanned Systems (JARUS) project that is attempting to harmonise states' domestic legislation and policy with regard to UAS+ to better enable the spread of pilotless aircraft.

The Legal Committee, chaired by Gad Ariel (ISR-ALPA), has commenced work in relation to updating IFALPA guidance on the arrest and detention of pilots. Alongside the Safety Management Working Group, it has also worked closely on developments at ICAO in relation to data protection, including ICAO's work in review of Annex 19 (safety management) and Annex 13 (aircraft accident and incident investigation). The Legal Committee has also been involved with ICAO Legal Committee review of Articles 12 of the Chicago Convention (governing the rules of the air). The central concern of ICAO in relation to Article 12 relates to the investigation and enforcement of breaches of the rules of the air by operators and personnel. Several states would like to see it made easier to take prosecutions. The Legal Committee is also making progress in its initiative to advocate for the development of labour standards in the aviation sector.'

Finally, I'd repeat my comments of last year. It is likely that a review will be taken of some of the Principal Officer job descriptions – and the IFALPA role is one that may change into a broader 'relations' role. Early days yet, but in the meantime, I continue to support the President with work on some wider matters of concern, such as the ongoing performance of external agencies and the procedures that impact upon our membership.

JAMES JARVIS Secretary & IFALPA Director

AIR TRAFFIC CONTROL DIRECTOR'S REPORT

Two main themes dominated Air Traffic Control and Flights Services members this year: contract negotiations and Regional Tower service determinations.

At the time of writing, negotiations are still ongoing for the two groups of Airways' employees. ATC negotiations are being conducted using interest based bargaining principles, to attempt to collaboratively negotiate solutions to find common ground and agreement across the parties' issues and interests. COVID has had a considerable impact on the ability for the parties to meet in person and although bargaining was attempted via MS Teams it was not considered an acceptable forum for discussion, given the importance and nature of collective employment contract negotiations. It was therefore decided to pause meetings until this could be overcome.

Since recommencing negotiations in early 2022, the face-to-face meetings turned to discussions about CPI-based pay expectations - not surprisingly, given the considerable shift in the economic environment we are all experiencing. Unfortunately, at the time of writing, the parties have been unable to reach consensus on the pay issues, even with the help of an external facilitator. The next step now is to head to mediation provided by the Ministry of Business, Innovation and Employment.

As a continuation of NZALPA's efforts last year, Airways' proposal to close seven Regional Towers generated aeronautical studies and subsequent CAA reviews of those studies. These have now been completed for all those that chose this path, and ALL have



ATC Director Kelvin Vercoe.

been determined to maintain **ATS services**. The hard work put into this by NZALPA and, in particular, our unique air traffic service and pilot subject matter experts, has certainly paid off. Safety-critical aviation infrastructure has been maintained, and ATC and flight service members in those towers now have job certainty for the foreseeable future - at least until the next Airways' attempt to remove core air traffic services from our regional communities.

Since becoming the ATC Director in 2018, I have mentioned in every annual report our concerns regarding the overall performance of Airways' managers and leaders. Alas, this year is no different, particularly after the ill-advised attempt to close regional towers which, in my view, is but one example of the profound strategic mediocrity shown by this State-Owned Enterprise over the years. It is clear that the ongoing workplace staff engagement and safety culture concerns of Airways' employees will continue to occupy our time in the coming years. The rebuilding of trust and confidence

The rebuilding of trust and confidence and the repairing of the relationship between workers and management will take considerable time, resources and effort to achieve. NZALPA and our representatives are ready for that challenge and look forward to the time when Airways is genuinely willing to engage on these issues.



Air Traffic Control

and the repairing of the relationship between workers and management will take considerable time, resources and effort to achieve. NZALPA and our representatives are ready for that challenge and look forward to the time when Airways is genuinely willing to engage on these issues.

Following the introduction of the Civil Aviation Bill, in February I had the opportunity to present submissions before the Transport and Infrastructure Select Committee, focusing on the structure of Airways and the difficulties reconciling the State-Owned Enterprises Act and the Civil Aviation Act. We await with interest the Select Committee's report back to the House, following the public submission process.

Finally, in celebration of two longserving ATC representative members, well deserved NZALPA achievement awards were presented at the 2021 annual NZALPA Conference:

Jim Dunn was appointed Honorary Life Membership to NZALPA in recognition of his dedicated and tireless representation and service at all levels of NZALPA over many years.

Greg Okeroa was presented with the NZALPA Scroll of Merit award for his hardworking and ongoing roles on the ATC Council and Board of Management.

Special thanks must also go to all the ATC and Flight Service representatives for volunteering to serve our memberships. It often goes unnoticed, but it's not unappreciated by those that know.

KELVIN J VERCOE ATC Director

INDUSTRIAL DIRECTOR'S REPORT

As the industry takes stock on what has become a two-year crisis, perhaps the most striking difference is the reduction in the number of employees that remain in aviation. The recovery in air travel is good news for the global economy, for friends and families that have faced forced separations and for the millions of people who depend on air transport for their livelihoods. Unfortunately, some government actions have been key impediments to recovery, but we are slowly seeing progress in this area.

During the last two years, various member groups have renewed their Collective Agreements without having to make significant sacrifices. I've previously spoken about the NZALPA positioning itself as a progressive organisation, willing and able to work through a crisis addressing the issues each employer group faces. I think the successful renewing of Collective Agreements during a pandemic without sacrificing hard fought for conditions is testament to that.

The next phase is about returning as many pilots to the industry as possible, so the focus and challenge for the NZALPA now turns to collaboratively assisting our employers to recover to something that resembles pre-COVID operations while continuing to protect our members' underlying rights and interests.

It is no secret that a huge number of people have left our industry taking with them years of experience and skill. Attracting new talent to the industry will be important for a sustainable recovery, and training capacity will play a pivotal role in how successfully that challenge is managed. However, safety must always be the industry's number one priority. As we potentially see new hires from other fields join our industry it is important that they understand aviation's safety culture.

Safety leadership is as important now as it has ever been.

Socially Responsible Recovery

I have spoken previously about a socially responsible recovery, and it



Industrial Director Andrew McKeen.

The focus and challenge for NZALPA now turns to collaboratively assisting our employers to recover to something that resembles pre-COVID operations while continuing to protect our members' underlying rights and interests.

seems timely to reiterate how I think our employers should be handling the recovery phase.

- Take care of the employees.
- Do whatever is necessary to keep employees healthy and well-informed. Prioritising shareholders or senior executives creates long term issues that will only slow recovery. A successful recovery requires employees to excel while working as a team.
- Take care of the customers. Be flexible in responding to customer needs. Damaged customer relationships and mistrust will only slow recovery.
- Take care of the suppliers.
 Be flexible in responding to suppliers' needs.

- Take care of the business. The business needs to be flexible to adjust to the challenges of a recovery and to tackle future challenges.
- Shareholders? Over the previous decade there have been many examples of airlines returning significant volumes of cash to shareholders. Shareholders need healthy airlines and so they should wait their turn.

Vaccines

The complex and very personal topic of personal choice around vaccination dominated a reasonable part of the last year, with both the Government and most of our members' employers imposing some form of mandate.

Consistent with the IFALPA position, the NZALPA refrained from giving medical advice with regards to the efficacy or safety of vaccines as the Association is not qualified to give such advice. Instead, the NZALPA challenged employers to demonstrate that the basis for any vaccination policy was robust, that a fair procedure had been followed and that all reasonable alternatives to dismissal were considered.

We are now seeing the unwinding of a number of internal vaccination policies and we are encouraging all our members' employers to review their policies and their health and safety risk assessments to take into the account the changed environment and updated public health advice from the Ministry of Health.

As at the writing of this report, the Government vaccine mandates have largely been removed except for a select number of workforces. The border workforce is still covered but the Government has signalled that the Order may be further reviewed in the future.

Emerging Threat?

With the changing aircraft generations, and the evolution from early jets to the fly-by-wire technology,

continued on page 10 ...

the automation on the flight deck has evolved over the years and this evolution gets our employers and aircraft manufactures thinking ... perhaps a little too much.

The draft, for now, European Union Aviation Safety Agency (EASA) concepts of Extended Minimum Crew Operations (eMCO) and Single Pilot Operations (SiPO) look at having only one pilot on the flight deck for extended periods of the cruise or one pilot on the flight deck during critical phases of flight (such as take-off and landing, respectively).

Mid last year, Cathay Pacific confirmed it was working with Airbus on a project that aims to certify the A350 for single-pilot operations during highaltitude cruise. Cathay has said that no decision has been made on eventual deployment and while they are engaging with Airbus, they have not committed to being a launch customer or implementation of such operations.

Commercial pressure from aircraft manufacturers and their customers should play no role in the development of reduced crew operations. The B737 MAX has demonstrated that such pressure leads to wrong, and possibly fatal, decisions in the aircraft design and certification process. The relationship between the regulator and the aircraft manufacturer must be carefully managed to prevent what has been termed 'regulatory capture' where a regulator simply serves the commercial interest of the commercial

constituency. While not on our doorstep, we need to consider what eMCO or SiPO would mean for us.

Finally, I would like to acknowledge all the staff at the NZALPA who continue to work hard to meet the Industrial needs of the Association. We have had a lot of internal change over the last two years, but we are sitting well for the future with a solid and competent legal team in place for the challenges that no doubt lay ahead.

The NZALPA could not function without teamwork and I would like to thank all the people whose support I have received.

ANDREW MCKEEN
INDUSTRIAL DIRECTOR

TECHNICAL DIRECTOR'S REPORT

As the global airline industry emerges from the catastrophic effect of the COVID 19 pandemic, we are beginning to see a few green shoots of a recovery from the unprecedented grounding of the worldwide fleet of passenger aircraft.

Government measures in response to the COVID-19 pandemic resulted in a substantial reduction in operations compared to pre-COVID levels. Just over 25 million flights were operated in 2021, an increase of 16% compared to 2020, but 55% below the 2019 figure.

While domestic air travel has recovered to around 65% of pre-crisis levels, international air travel is still down approximately 70% due to travel restrictions.

Such a recovery, however, is not without its challenges, not least the reentry into service of aircraft that have been mothballed in long term storage.

The International Air Transport
Association (IATA) advises that in
2021, there were 26 accidents versus
35 in 2020. However, the number of
fatal accidents increased from five
accidents in 2020 to seven in 2021.
The number of fatalities declined from
132 in 2020 to 121 in 2021. To date, in
2022 there has only been two major
accidents – with one, the China Eastern
B737-800 accident, being fatal.



Technical Director Hugh Faris.

There has, however, been a significant increase in serious incidents, including the Emirates EK231 B777 take-off from Dubai and the Air France AF11 B77 Go -Around at Charles De Gaulle airport. Whilst we await the outcome of the safety investigations into these incidents, there appears to be Human Performance aspects that may be attributed to pandemic-related issues.

The financial impact of COVID 19 on airlines, airports, and Air Navigation Service providers (ANSPs) saw a significant reduction in staffing levels, with many highly skilled and experienced workers lost to the industry through early retirement and furlough.

The effect of extended lockdowns, social isolation for crew at outstations, restrictions on social gatherings and working from home have all had a detrimental effect on morale, leading to a pandemic fatigue which, in turn, has had a detrimental effect on operations.

There remain many uncertainties as we restart operations, which further exacerbate the risks. New operating procedures, reduced ground staffing levels, ramp delays, extended passenger aircraft cleaning requirements, unruly passengers and borders controls all require crew to be extra vigilant to ensure safety is maintained.

Closer to home, following NZALPA's operational restructure, as reported in last year's Annual Report, the NZALPA Technical department continues to operate without a dedicated Technical Officer as we navigate our way through the restart on the journey back to the new normal.

That said, we continue to monitor the industry and look to the International Civil Aviation Organisation (ICAO) and the International Federation of Air Line Pilots Associations (IFALPA) for guidance as to international best practice and to ensure our members'

continued on page 11 ...

best interests are catered for. Safety is our number one priority.

A major undertaking during the past year has been NZALPA's submission on the Civil Aviation Bill, which is now at the Select Committee stage. This has presented us with an opportunity to seek to have many of our safety concerns enshrined in law. Aspects that are important include the protection of recorded safety data (including Air Traffic Control voice recordings), Just Culture as part of a positive safety culture and fatigue risk management, amongst other things.

I would especially like to thank NZALPA solicitor John Hall for the huge amount of work he put into our submission and for all the assistance he provided me and other Principal Officers during its preparation. Our submission was very well received by the Select Committee.

I would also like to thank those members of the Technical Subcommittee who have assisted me during the past year attending Aerodrome Safety Committee meetings. Attendance at these is critical in identifying nonWe continue to monitor the industry and look to the International Civil Aviation Organisation (ICAO) and the International Federation of Air Line Pilots Associations (IFALPA) for guidance as to international best practice and to ensure our members' best interests are catered for. Safety is our number one priority.

compliance with ICAO Standards and Recommended Practices and ensuring we have 'pilot friendly' airports.

We also participated in numerous aeronautical studies, the majority of which were required as a consequence of Airways' proposal to remove air traffic services at seven regional aerodromes around the country. Fortunately, as the ATC Director has noted in his report, common sense has prevailed, and the proposal has been knocked back for the foreseeable future.

I would also like to thank all the NZALPA staff for their tolerance and patience during another difficult year. A big thanks to Carina (Association Administrator) who has unfortunately left us recently to further explore new opportunities for her family as they settle into life here in NZ. Nothing was ever too much trouble for her!

Lastly, a huge thanks to Dawn who has decided it is time to move on after more than 20 years advocating on behalf of our members and as General Manager. She has contributed significantly to the success of NZALPA as a union and professional organisation. You will be missed.

HUGH FARIS TECHNICAL DIRECTOR

MEDICAL & WELFARE DIRECTOR'S REPORT

Having taken over the role of Medical and Welfare Director in the middle of last year, it has been a bit of a baptism of fire with all the issues that have been in play for the past 12 months. I am hopeful that with the return to some form of normality, the Medical and Welfare group can get back to its core role of supporting members in need rather than the singular focus on COVID there has been up until now.

Of course, the return to normality does not come without some pressure on safety systems and training. This leads to the possibility of pilots and ATCs being overworked and placed in situations that are a result of a lack of planning and resources. I would encourage all to ensure your personal standards are not compromised just to keep the train on the tracks, and I encourage everyone to ensure they are not overworked and stressed just to get



Medical & Welfare Director Dave Church.

the job done. Please do ensure the safety management systems are working along with fatigue reporting.

Since taking over the role, I have been amazed at the global connections and meetings that occur in the medical and welfare field that all help to keep us informed of how situations are

being handled in other regulatory environments. The IFALPA Human Performance group is a valuable sounding board for any issues that come to light and how they have been handled in other jurisdictions. This has also highlighted how some things are done well in New Zealand and how we could also be a lot better in other areas. This combined with other various global groups including the Critical Incident Response Program (CIRP), Human Intervention Motivation Study (HIMS), Professional Standards program (PROSTAN) and Women in Aviation Forum (WAF), all ensure NZALPA is well represented and informed. I'd like to thank all the people involved with those groups for their work.

Over the last 12 months I have been very proud of how our medical and welfare committee has helped

continued on page 12...

a number of our members who have found themselves in very dire circumstances through no fault of their own. These NZALPA representatives have gone the extra mile to ensure very positive outcomes for those affected. Looking forward, we are hoping to spread that support into the General Aviation (GA) sector as currently we don't have enough contact with those members in GA who may be facing a crisis. Hopefully by the time this report is published we will have a GA representative on the committee who can help us with this.

One of my goals as Medical and Welfare Director is to ensure we hold CAA to account when dealing with pilot medical situations. This is still a work in progress which has been slowed somewhat by COVID, but I am confident that by working with CAA we can get better outcomes for pilots who find themselves with a suspended medical. Another of my goals is the removal of anonymous



reporting from the CAA website. Initial discussions with CAA have been positive and hopefully this is something that will change in the near future. No one should have their career affected by someone in a vindictive state of mind.

Looking forward, I am sure the learnings of the last two and a half years have helped ALPA become stronger in experience and my thanks go to all the ALPA leadership team who have helped navigate these unprecedented times.

DAVE CHURCH MEDICAL & WELFARE DIRECTOR

NZALPA GROUP INSURANCES TRUSTEE COMPANY REPORT

NZALPA maintains two group insurance schemes, Group Life Insurance (GLI) and Group Disability Insurance (GDI).

The **GLI** Plan has been maintained for the benefit of NZALPA members, their spouses and NZALPA staff since 1979. The cover is currently placed with AIA. The plan provides for the death or terminal illness of a member in the plan and also has an option for living assurance (trauma cover) for illnesses that have a long-term impact on the member's career.

For more information on GLI please contact Andrew Hay, 021 424 102.

The **GDI** Plan has been maintained for NZALPA members who have lost their medical due to sickness or injury since 1988. The cover is currently placed with AXA XL.

For more information on GDI please contact James McGhie, 021 625 634.

2022 GLI STATISTICS:

1618

Total members in the scheme (1570 in 2021)

Total cover now

\$959M

(\$911m in 2021)

Members with trauma cover

239 (220 in 2021)

Members with best doctors cover

1618 (304 in 2021)

2022 GDI STATISTICS:

Total members in the scheme (607 in 2021)

Total members currently receiving benefits (3 in 2021)

Total members loss of medical in qualifying period (3 in 2021)

continued on page 13 ...

New Corporate Trustee Structure

As advised in last year's GLI and GDI annual reports, both of the NZALPA Group Insurance Scheme Trusts have now been taken over by a corporate trustee structure. The new company, NZALPA Group Insurances Trustee Company Ltd, has been formed and is the sole trustee of both the GLI and GDI trusts. At the time of the company formation (June 2021), all the incumbent trustees became directors of the new company.

This new structure does not affect members' insurance cover in any way. Members of both schemes remain the ultimate beneficiaries of any claims paid out; the words of both the GLI & GDI insurance policies are unchanged; and you will still receive your invoice from Gallagher Basset. There is also no change to the bank account that you make your premium payments to.

Ross Cammell

Soon after the formation of the new company, Ross Cammell resigned as a company director. Ross retired from Air New Zealand in 2020 but at the request of the trustees had stayed on in his role as GDI Chairman until the transition to the new structure was complete.

Ross's guidance, support and considerable experience during the transition to the new structure was key in seeing it successfully through to completion.

Ross had been a GDI Trustee for in excess of 25 years – secretary of the GDI trust for many of those years and Chairman for his last 10 years. Ross's empathetic support of individual

members in their hour of need, after having lost their medical, cannot be spoken highly enough of.

On behalf of the company directors, and indeed of all NZALPA Members, I would like to acknowledge the outstanding contribution Ross has made to NZALPA and the concept of mutual support.

Thank you, Ross.

Election of Company Directors and Deed Amendments

The new structure introduces the process of appointment of the directors and changes the method of amendment to the GLI and GDI trust deeds.

Previously, the trustees were appointed by the NZALPA Board of Management and amendments to either of the deeds could be made by the Trustees with the agreement of the Board of Management.

From now on, the members of both the GLI & GDI schemes will appoint the directors via an election process, on a rotational basis as the sitting directors either retire or their term of office comes to an end. Also, any proposed amendments to either deed will be voted upon by the members of the schemes.

With the resignation of Ross, a nomination and election process will be initiated shortly to find a successor.

Historical Billing Issues

Gallagher Basset Ltd administers the premium billing and collection for the GLI and GDI Policies.

Earlier this year, we were advised by Gallagher Bassett of a number of

arrears for premiums dating back two years for both GDI & GLI for a number of members. On investigation there were numerous reasons for the arrears. Some of these could be attributed to Gallagher Basset and some which were attributed to the members concerned

In all cases though, subsequent invoices (which have been paid) had not identified an arrears situation existed for the members concerned.

We advised Gallagher Bassett that this lack of arrears information is totally unacceptable and did not meet our expectation of the service they provide. Gallagher Bassett has acknowledged this deficiency and has assured us that all future invoices will include statements of any historical arrears due.

As Directors we acknowledge the considerable frustration this issue has caused several of our members. Ultimately though, our insurers (AIA in the case of GLI and AXA XL in the case of GDI) require these premiums to be paid to ensure the relevant members continue to be covered.

COVID-19 Pandemic

The Directors acknowledge the ongoing financial hardship that many members of the scheme continue to find themselves in due to the COVID-19 Pandemic. We continue to see members exit the GDI scheme as a result and that is reflected in the statistics in this report. However, the GLI statistics show an increase in numbers for the first time since 2019 so, hopefully, this marks the low point for many of our members and a turnaround in the professional aviation industry in NZ.

Best Doctors

AIA has now included Best Doctors as a benefit to all members of the GLI Policy. Previously this was an add-on option with an additional premium payable. Best Doctors helps patients make medical decisions with confidence and is a valuable health benefit – from providing a second opinion or getting answers to personal health questions. To learn more, login



continued on page 14...

to https://bestdoctors.com/new-zealand/ and create your profile listing "AIA" as your qualifying insurer.

Important Reminder

The Directors would like to remind GLI members that it is a policy requirement to notify the insurer if you have a medical suspension issue lasting longer than 24 months. Also, if you are resigning from full NZALPA membership and wanting to take up a continuation option from AlA, you must apply within 60 days of resigning, and exercise the

continuation option *before* your 65th birthday. The benefit is that your medical history is carried over.

I'd like to take this opportunity to thank my fellow Directors, Peter Mouat, Patrick Casey and Mathew Buddle for their hard work and sage advice over the last 12 months. I'd also like to thank the staff at NZALPA and, in particular, John Hall and Leo Liu for their work in helping establish the new corporate trustee structure.

Lastly, I'd like to thank the outgoing NZALPA General Manager Dawn

Handforth for her service and leadership. Dawn joined NZALPA at the same time I first got involved as a representative. Dawn's professionalism and advocacy for NZALPA members, staff and for New Zealand's aviation professionals in general has been of the highest standard. I wish you well Dawn, you will be missed.

GLEN KENNY Managing Director NZALPA Group Insurances Trustee Company Ltd

CONTINGENCY FUND TRUST ANNUAL REPORT

Directors

- Benjamin Rothwell (ATC)
- · Peter Day (Air NZ)
- James Jarvis (Air NZ)
- Mark Rammell Chairman (Retired – Air NZ)

Kevin Henderson

This last year saw the passing of Captain Kevin Henderson. The Directors wish to recognise Kevin's significant contribution to the Fund and to the interests of NZALPA and its members over many years.

As we write this Annual Report to NZALPA and member beneficiaries of the Fund, our industry continues to suffer the impact of COVID 19. It does seem, however, that there is pent up demand for travel which bodes well for some semblance of normality as we emerge from the immediate crisis of the pandemic.

Our Strategy – To grow the Fund through investment in commercial property

The Directors remain committed to this strategy, with a goal for the Fund (representing the interests of more than two thousand beneficiaries and NZALPA) of being proactive in supporting them, rather than being reactive. In order to achieve this, given the large number of beneficiaries, it is critical that the Fund size is significantly increased.

CFT Directors

Conference last year saw the election of James Jarvis as a Director. Since that time, Benjamin Rothwell (ATC)

has indicated he will not stand for reelection this year.

This year there were no nominations for Director positions.

The Trust Deed requires a minimum of three and maximum of five Directors.

Building Leases

3 Airpark Drive - ALPA House

You will be aware that NZALPA has purchased its own property and vacated ALPA House in March 2022. The Fund has had an excellent landlord/tenant relationship with NZALPA since its inception. The Fund was not in a position to purchase ALPA's new home (due COVID resulting in Fund lease support for two tenants). We do, however, remain committed to re-establishing this relationship when funds support such an opportunity.

The **Te Kawerau lwi Tribal Authority** lease terminated in August of 2021.

Aquafortus: (current 3a Airpark Drive tenant) approached us late 2021 with a wish to expand its operations to include ALPA House. With the support of NZALPA, we were able to provide this space on very favourable terms. The term negotiated is five years with two rights of renewal. A 6-month bank guarantee is in place and a wish for further expansion, if possible.

CONTINGENCY
FUND

continued on page 15 ...

Aquafortus has invested significantly in ALPA House through building a multipurpose laboratory across the entire bottom floor.

3a Airpark Drive

Aquafortus: This lease was renegotiated when Aquafortus took over ALPA House. Again, market rates have been secured with a six-month bank bond and the same renewal opportunities as above.

This property has also seen significant investment in infrastructure.

F45 Gymnasium: Current lease until 30 June 2023, with two 5-year rights of renewal. Market rental reviews with intervening years at CPI, or 5%, whichever is the higher.

373 K Road

Haka Lodge: Current lease until 1 May 2031, with one 12-year and three 6-year rights of renewal. Market rental reviews every 6 years with a 3% increase every 2 years, other than a market review year. As previously advised, Haka Lodge was severely impacted by COVID essentially losing all of its bookings. We have supported this tenant by providing a 50% reduction in lease until our borders open and bookings return. This level of lease covers our expenses but significantly slows down our debt

Current Investments/Funds as at writing

Property Investments registered valuations:

Total Assets	\$15,847,346
Beneficiary loans	\$309,130
Cash	\$283,216
• 373 K Road	\$4,800,000
· 3a Airpark Drive	\$6,550,000
• 3 Airpark Drive – ALPA House	\$3,900,000

Liabilities

ANZ Mortgage (3, 3a Airpark Drive, 373 K Road) \$6,890,821

reduction. As we write this report, every indication is that we will see a return to full lease payments over the next few months

Beneficiaries

The Fund is a means of last resort for all beneficiaries. Applications for financial assistance are passed to a third-party advisor who works with the applicant to ensure that all options are explored before providing any funding. Most often, funding is provided as an interest-bearing loan at rates slightly higher than those available at the bank. The current interest rate, which ensures that the 'last resort' criteria is met, is 5%.

The advisor continues to work with beneficiaries to enable their return to "normal" forms of borrowing in as timely a manner as possible. In extenuating circumstances, we provide an interest only loan, or a grant is made.

The Fund currently has loans to members totalling \$309,130.

The good news from the above is that while Haka Lodge has reduced in value by some \$600,000 (due to current rental reduction) both 3 and 3a Airpark Dr have increased by a combined \$2,600,000. The Funds' wealth is currently circa \$9,000,000.

The Funds' accounts are audited annually and are available to any beneficiary upon request.

The Directors thank NZALPA for its support over the last twelve months.

MARK RAMMELL
BEN ROTHWELL
PETER DAY
JAMES JARVIS
DIRECTORS OF THE
CONTINGENCY FUND TRUST



NZALPA BOARD OF MANAGEMENT REGISTER OF INTERESTS

Janet Taylor	Former director and shareholder of PANNZ Ltd
James Jarvis	Statutory duty as Officer of the Court, by holding position of admitted Barrister and Solicitor of the High Court of New Zealand
James Jarvis	CFT Trustee
Mike Maguire	Air NZ Leave Bank administrator



FINANCIALS

Financial Statements

for the year ended 31 March 2022

TABLE OF CONTENTS

Statement of Financial Position	18
Statement of Comprehensive Income	19
Statement of Changes in Equity	20
Statement of Accounting Policies	2′
Notes to the Financial Statements	25
Audit Report	29

NEW ZEALAND AIR LINE PILOTS' ASSOCIATION Statement of Financial Position as at 31 March 2022

	Note	2022	2021 \$
ASSETS	Note	Φ	Ψ
Current assets			
Cash and cash equivalents	8	935,350	1,678,534
Investments	9	-	1,550,594
Trade and other receivables	10	65,862	22,363
Total current assets		1,001,213	3,251,491
Non-current assets			404 500
Property, plant and equipment	6	5,839,267	131,569
Other investments	7	107	233
Total non-current assets		5,839,374	131,801
Total assets	=	6,840,587	3,383,292
EQUITY			
Accumulated funds		3,604,673	2,972,597
Building maintenance fund		15,225	15,225
Total equity	-	3,619,898	2,987,822
LIABILITIES Current liabilities			
Trade and other payables	11	253,725	261,104
Funds held on behalf	13	25,589	61,708
Employee benefits	12	113,968	70,134
Bank Loan - current	14	141,960	
Taxation payable	5	2,406	2,524
Total current liabilities	-	537,649	395,470
Non-current liabilities Bank Loan - non-current	14	2,683,040	
Total non-current liabilities	14	2,683,040	
Total Hon-current habilities	1	2,000,040	
Total equity and liabilities		6,840,587	3,383,292
On behalf of the Board			
President		Bes Mar 60	02.
A MA	Da		
Principal Officer	Da	23 MAY 2022	
Timorpai Officel	Da		

The accompanying notes form part of, and should be read in conjunction with, these Financial statements

NEW ZEALAND AIR LINE PILOTS' ASSOCIATION Statement of Comprehensive Income for the year ended 31 March 2022

Note	2022 \$	2021 \$
	2.814.770	2,686,853
	4,896	-
2	65,126	177,906
	2,884,792	2,864,758
	113,688	67,004
	248,163	123,799
	1,917	3,339
	52,971	74,277
	66,512	53,818
	20,727	20,428
3	1,746,823	2,180,934
	2,250,800	2,523,598
_	633,992	341,161
4	13,120	38,138
4		· -
_	4,050	38,138
	638.042	379,299
	000,042	070,200
5	5,966	12,974
_	632,076	366,325
	632.076	366,325
	34_4	Note \$ 2,814,770 4,896 2 65,126 2,884,792 113,688 248,163 1,917 52,971 66,512 20,727 3 1,746,823 2,250,800 633,992 4 13,120 4 9,069 4,050 638,042 5 5,966

The accompanying notes form part of, and should be read in conjunction with, these Financial statements

Statement of Changes in Equity for the year ended 31 March 2022

	Accumulated funds	Building maintenance fund \$	Total \$
2022			
Opening balance - 1 April 2021	2,972,597	15,225	2,987,822
Surplus for the year	632,076	-	632,076
Closing balance - 31 March 2022	3,604,673	15,225	3,619,898
2021			
Opening balance - 1 April 2020	2,606,272	15,225	2,621,497
Surplus for the year	366,325	-	366,325
Closing balance - 31 March 2021	2,972,597	15,225	2,987,822

The accompanying notes form part of, and should be read in conjunction with, these Financial statements

Statement of Accounting Policies for the year ended 31 March 2022

SIGNIFICANT ACCOUNTING POLICIES

General information

New Zealand Air Line Pilots' Association (the Association) is an association domiciled in New Zealand.

The Association is a union of New Zealand Air Line Pilots and Air Traffic Controllers.

The Association's registered office and principal place of business is: 3 Airpark Drive, Mangere, Auckland, New

These special purpose financial statements of the Association are for the year ended 31 March 2022.

Statement of compliance and basis of preparation

These special purpose financial statements comprise Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Accounting Policies; as well as the Notes to these statements.

These special purpose financial statements are a special purpose report that have been prepared to meet the requirements of the Rules of the Association and internal management purposes.

These special purpose financial statements are presented in New Zealand Dollars (NZD).

The accounting policies adopted are not in conformity with generally accepted accounting practice. Accordingly, the financial statements should only be relied on for the expressly stated purpose.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

Changes in accounting policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

Property, plant and equipment

Property, plant, and equipment consists of the following asset classes:

- Land:
- Buildings;
- Building Fitouts;
- Furniture and Fittings; and
- IT Equipment.

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation. All other asset classes are measured at cost, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Association and the cost of the item can be measured reliably. All repairs and maintenance costs are charged to the Statement of Comprehensive Income.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Statement of Accounting Policies for the year ended 31 March 2022

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Association and the cost of the item can be measured reliably.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Net gains and losses on disposals are reported in the Statement of Comprehensive Income.

Revaluation

Land and buildings are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from fair value and at least every three years.

Where material parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation

Depreciation is charged at the same rates as are allowed by the Income Tax Act 1994. Depreciation is charged to the Statement of Comprehensive Income. The following rates have been used:

Buildings	1.50%	SL
Furniture and Fittings	9% - 30%	DV
IT Equipment	13% - 67%	DV
Building Fitouts	20% - 48%	DV

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, trade and other receivables, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Association becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Association's contractual rights to the cash flows from the financial assets expire or if the Association transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Investments

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

Statement of Accounting Policies for the year ended 31 March 2022

Trade and other receivables

Trade and other receivables are measured at cost reduced by appropriate allowances for estimated recoverable amounts. Bad debts are written off when identified.

Trade and other payables

Trade and other payables are measured at cost.

Impairment

The carrying amounts of the Association's assets are reviewed at each balance date to determine whether there is any objective evidence of impairment. If any such indication exits, the assets recoverable amount is estimated.

An impairment loss is recognised at the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Income.

Estimated recoverable amount of investments and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at their original effective interest rate. Receivables with a short duration are not discounted.

Estimated recoverable amounts of other assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Previously recognised impairment losses on assets may be reversed if there is a positive change in the estimate of the recoverable amount, but only to the extent of the prior cumulative impairment losses.

Members' funds

Members' funds are processed on a cash basis. As such there may be premiums receivable from members and payable to insurance agencies which are not reflected on the Statement of Financial Position.

Employee benefits

Annual Leave

A liability for annual leave is recognised at each reporting date. The liability falling due more than 12 months after reporting date is discounted to present value.

Provisions

A provision is recognised when the Association has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the future cash flows. Where discounting is used, the increase in the provision for the passage of time is recognised as a finance cost.

Borrowings

Borrowings are initially recognised at their face value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Association has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Statement of Accounting Policies for the year ended 31 March 2022

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Association's activities. Revenue is shown net of Goods and Services tax, returns, rebates and discounts.

The Association recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Association and when specific criteria have been met for each of the Association's activities, as described below.

Revenue received from subscriptions and registrations are recognised over the period of subscription on a straight line basis.

Finance income

Finance income comprises interest income. Interest income is recognised using the effective interest method.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease.

Borrowing costs

Borrowing costs are recognised as an expense in the financial year in which they are incurred.

Income tax

The income tax expense recognised in the Statement of Comprehensive Income is the estimated income tax payable in the current year, adjusted for any differences between the estimated and actual income tax payable in prior periods.

Goods and services tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

Notes to the Financial Statements for the year ended 31 March 2022

2	Other income	2022	2021
	Government Wage Subsidies	-	167,539
	Other income	65,126	10,367
		65,126	177,906
3.	Finance and Administration	2022	2021
	Audit fees	14,725	15,305
	Tax fees	3,000	3,500
	Lease costs	145,084	181,905
	Depreciation	35,419	81,808
	Employee benefits expense	1,060,256	1,565,392
	Other	488,340	333,023
		1,746,823	2,180,934
4.	Net finance income and expenses	2022	2021
	Interest income	12,514	37,298
	Investment income	606	840
	Total finance income	13,120	38,138
	Finance expenses	9,069	-
	Total finance expenses	9,069	-
5.	Taxation	2022	2021
	Reconciliation of effective tax rate	2022	2021
	Surplus/(Deficit) before tax	638,042	379,299
	Non-assessable surplus/(deficit): derived from the circle of membership	(614,787)	(330,556)
	Deduction allowed for non-profit organisations (s DV 8)	(1,000)	(1,000)
	Taxable income	22,255	47,743
	Taxation expense at 28%	6,232	13,368
	Imputation credits	(85)	(126)
	Dividend withholding tax	(181)	(268)
	Income tax expense	5,966	12,974
	Current tax		
	Opening balance	2,524	1,052
	Operating balance	-,	
		6,232	13,368
	Current income tax expense Terminal tax refunded / (paid)	6,232 (2,524)	13,368 (1,052)
	Current income tax expense	6,232 (2,524) (3,560)	13,368 (1,052) (10,450)
	Current income tax expense Terminal tax refunded / (paid) Resident withholding tax paid Imputation credits	(2,524)	(1,052)
	Current income tax expense Terminal tax refunded / (paid) Resident withholding tax paid	(2,524) (3,560)	(1,052) (10,450)

6. Property, Plant and Equipment

	2022	Cost	Current year depreciation	Accumulated depreciation	Carrying value
	Land	3,864,888	-	-	3,864,888
	Buildings	1,960,113	(2,450)	(2,450)	1,957,662
	Furniture and fittings	26,993	(7,855)	(17,666)	9,327
	IT equipment	99,565	(9,657)	(92,175)	7,389
	Building fitouts	-	(15,456)	-	
		5,951,558	(35,419)	(112,291)	5,839,267
	2024				
	2021 Land				
	Buildings	-	- -	-	
	Furniture and fittings	85,169	(16,036)	(58,985)	26,184
	IT equipment	287,125	(29,672)	(197,238)	89,888
	Building fitouts	112,859	(36,100)	(97,363)	15,497
		485,154	(81,808)	(353,585)	131,569
7.	Other Investments Non-current investments			2022	2021
	Shares - Air New Zealand			107	233
				107	233
			=		
8.	Cash and Cash equivalents			2022	2021
	Bank balances			935,350	1,678,534
	24 24.4		_	935,350	1,678,534
9.	Investments			2022	2021
	Object to see Book Books its				4 550 504
	Short-term Bank Deposits		_	-	1,550,594 1,550,594
			=		1,550,554
10.	Trade and other receivables			2022	2021
	Current				
	Trade and other receivables due from related par	ties (Note 16)		15,775	10,000
	Trade receivables - other			130	5,933
	Prepayments and other receivables		_	49,958	6,430
			=	65,862	22,363
	Trade receivables are shown net of impairment lo	osses in amount of \$n	il (2020: \$nil).		
11.	Trade and other payables			2022	2021
	Trade payables			61,853	44,338
	Non-trade payables and accrued expenses			126,958	154,569
	Trade and other payables to related parties (Note	e 16)		4,792	11,373
	GST liability	,		60,122	50,824
	•			253,725	261,104
			=		
12.	Employee benefits			2022	2021
	Liability for annual leave and days in lieu			113,968	70,134
	Liability for armual leave and days in lieu		_	113,968	70,134 70,134
			=	110,000	10,104

Funds held on behalf	2022	2021
(A) HIMS		
Opening balance	2,854	3,102
Income		
Interest received	2 2	<u>1</u>
Outgoings	_	
Expenses	<u> </u>	(249) (249)
Closing balance	2,856	2,854
(B) P6 funds		
Opening balance	25,410	25,400
Income	2	40
Interest received	3 3	10 10
Outgoings		
Funds distributed	(25,413)	_
	(25,413)	-
Closing balance	-	25,410
(C) PAN		
Opening balance	8,881	(1,523)
Income		
Interest received	6	13
Adjustments for prior period transactions	2,528	-
Contribution received	35,314 37,847	31,200 31,213
Outgoings		
Expenses	(41,038) (41,038)	(20,809) (20,809)
Closing balance	5,690	8,881
(D) NZALPA Group Insurances Trustee Company Ltd		
Opening balance	-	-
Income		
Contribution received	21,602	-
Outgoings	21,602	-
Expenses	(5,098)	-
	(5,098)	-
Closing balance	16,504	-
(E) Other members' funds - member assistance		
Opening balance	24,564	3,042
Income		
Contribution received		21,602
Outgoings	-	21,602
Funds distributed	(24,024)	-
Other outgoings	<u> </u>	(80)
	(24,024)	(80)
Closing balance	540	24,564
Total funds held on behalf	25 500	64 700
Total fullus field off beliati	25,589	61,708

14. Bank Loan

	2022	2021
Loans due in one year	141,960	-
Loans due after one year	2,683,040	-
Total	2,825,000	-

The loan from the BNZ Bank are charged with floating interest rate and is secured against property owned by the Association at 14 Amelia Earhart Avenue, Mangere, Auckland. The term of the loan is 3 years and matures on 3 March 2025. As at 31 March 2022, the Association also has an overdraft limit of \$500,000.

15. Capital commitments

The Association has entered into a contract for Office Partitions. The commitments as at 31 March 2022 are \$39,365 (2021: \$nil).

16. Contingencies

Litigation that is currently being undertaken may result in costs amounting to an estimated \$195,000 (2021: \$285,000). Up to \$156,000 (2021: \$228,000) of these costs may be recovered.

17. Related parties

Identity of related parties

The Association has the following transactions and balances for the year with the related party - NZALPA Contingency Fund Trust (CFT).

All transactions with related parties are priced on an arm's length basis.

	2022	2021
Income		
Administration fee	5,000	5,000
Sponsorship received from CFT	-	5,000
Sale of fixed assets	30,000	-
Reimbursement of expenses - charged by NZALPA to CFT	674	-
Expenditure		
Rent	145,084	181,905
Share of outgoings (3 Airpark Drive)	34,478	42,477
Year-end balances arising from transactions with NZALPA Contingency Fund Trust		
	2022	2021
Included in trade and other receivables	15,775	10,000
Included in trade and other payables	4,792	11,373

18. Subsequent events

There have been no other significant subsequent events that require adjustment or disclosure.

19. Operating lease commitments	2022	2021
Current	6,593	190,098
Non-current Non-current	5,090	466,446
Total	11,683	656,544

The Association and NZALPA Contingency Fund Trust has reached a mutual agreement to terminate the lease agreement of the premises at 3 Airpark Drive during the financial year on 2 Mar 2022.

NZALPA entered into a lease agreement with Fuji Xerox for rental of the DC7C3372 (Copier, Printer and Scanner) was signed during the financial year on 14 Jul 2020. The effective date of the lease is 1 Sep 2020 for a term of 49 Months.

NZALPA entered a service agreement with Voyager for NZALPA's office phone system on 28 Nov 2019. The effective date of the agreement is 30 Nov 2019 for a term of 36 Months.



INDEPENDENT AUDITOR'S REPORT

Crowe New Zealand Audit Partnership

Member Crowe International Level 29, 188 Quay Street Auckland 1010 New Zealand PO Box 158 Shortland Street

Auckland 1140 New Zealand

Tel +64 9 303 4586 Fax +64 9 309 1198 www.crowe.nz

To the Members of New Zealand Air Line Pilots' Association

Opinion

We have audited the special purpose financial statements of New Zealand Air Line Pilots' Association (the Association) on pages 18 to 28, which comprise the Statement of Financial Position as at 31 March 2022 and the Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the financial position of the Association as at 31 March 2022, and its financial performance and its cash flows for the year then ended in accordance with the basis of accounting as described in the significant accounting policies in the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities* for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Association in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our firm provides taxation services to the Association. The firm has no other relationship with, or interests in, the Association.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

We draw attention to the significant accounting policies in the financial statements, which describes the basis of accounting. The special purpose financial statements are prepared to meet the requirements of the Rules of the Association and internal management purposes. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the Association's Members, as a body and should not be distributed to parties other than the Association and its Members. Our opinion is not modified in respect of this matter.

Board's Responsibilities for the Special Purpose Financial Statements

The Board are responsible on behalf of the Association for the preparation of the special purpose financial statements in accordance with the accounting policies in the financial statements and for such internal control as the Board determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Crowe New Zealand Audit Partnership is a member of Crowe International, a Swiss verein. Each member of Crowe is a separate and independent legal entity.



Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures
 that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the
 effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Use

This report is made solely to the Association's Members, as a body. Our audit has been undertaken so that we might state to the Association's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe New Zealand Audit Partnership CHARTERED ACCOUNTANTS Dated at Auckland this 24th day of May 2022

NOTES		



New Zealand Air Line Pilots' Association 14 Amelia Earhart Avenue

Mangere Auckland 2202

New Zealand | New Zealand

New Zealand Air Line Pilots' Association

PO Box 53183

Auckland Airport Auckland 2150