

Auckland Airport Submission Draft National Infrastructure Plan

Submission from Auckland International Airport Limited, 6 August 2025

Summary

Auckland International Airport Limited ("Auckland Airport") welcomes the opportunity to submit on the Infrastructure Commission's ("Commission") Draft National Infrastructure Plan ("Draft Plan").

Auckland Airport agrees with the opening statement in the Draft Plan that *"New Zealand's future is intricately connected with its infrastructure"*. While the content of the Draft Plan is primarily focussed on public sector infrastructure, Auckland Airport is a developer and operator of assets of such scale and importance to the economy that it is important for us to contribute to the work the Commission is doing to improve New Zealand's infrastructure pipeline and lift our collective economic strength through quality infrastructure. Auckland Airport also relies heavily on a well-functioning public sector infrastructure system including the state highway and local roading networks, air traffic control and electricity transmission.

This submission outlines Auckland Airport's role as a provider of infrastructure and our current program of investment to upgrade the airport by growing capacity and improving resilience. It also outlines lessons that can be learned from how the airport sector invests in and recovers the cost of infrastructure. Ipsos Research from 2024¹ indicates New Zealanders consider airports to be the best performing infrastructure in the country, and much of that can be attributed to a well-balanced regulatory system that allows airports to invest in assets that serve the long-term interests of consumers.

Auckland Airport is underway with one of New Zealand's biggest private sector infrastructure projects

Auckland Airport opened nearly 60 years ago, and the original runway now stretches 3,635 metres. Over time, we've added taxiways, aprons, and aircraft stands to keep operations running smoothly on a single-runway system. Today Auckland Airport is like a small city. We own and operate assets across 1,500 hectares of land including

- Around 175,000sqm of terminal assets across two terminals.

¹ Ipsos, (2024), <https://www.ipsos.com/en-nz/2024-global-infrastructure-index-nz-edition>

- 350 hectares of airfield assets including 25,000 concrete slabs and 600,000 sqm of asphalt.
- One of the largest private electricity embedded networks in the country.
- A 24km roading network that directly connects into the networks operated by the New Zealand Transport Agency and Auckland Transport.

Auckland Airport is New Zealand's gateway and hub for both trade and tourism. We facilitate around 430 flights per day and 68% of all international visitors to New Zealand arrive in Auckland. In FY25 we had 28 airlines flying to 42 international and 23 domestic destinations.

Auckland Airport is New Zealand's third largest port by value; we facilitate 90% of all high value airfreight. Overall, we support around \$26.6 billion in trade every year.

It is essential to New Zealand's economic future that Auckland Airport maintains and grows our infrastructure. Today around 50,000 people connect through Auckland Airport each day, or around 18 million per year. By the 2040s that number is forecast to grow to around 38 million passengers per year.

Auckland Airport is investing \$5.7 billion in aeronautical development. The upgrade program spans multiple projects but includes:

- A new domestic jet terminal fully integrated into the international terminal. This will increase domestic jet seat capacity by 26%.
- An expansion of our airfield the size of 23 rugby fields to allow for more aircraft parking and connection to a new cargo hub.
- Essential safety upgrades to our runway.
- Investment in baggage systems, storm water, check in upgrades and much more.

Auckland Airport supports \$35 billion in economic value per year. With this investment in infrastructure, the economic contribution is expected to grow to \$55 billion.

Auckland Airport's long-term infrastructure planning is not just about building the assets we will need in the next few years, it is about ensuring we effectively master plan to ensure our land use will allow us to grow and build new assets into the future as demand dictates. We have recently concluded consultation on our Draft Master Plan which sets out a blueprint for how we plan to grow over the coming decades. The final Master Plan will be published later this year.

Making efficient use of existing assets through innovation and technology is also a significant part of Auckland Airport's work. This can involve optimising the use of existing space rather than building additional area. Auckland Airport works with our airline and border agency partners to support efficient use of existing or planned space. Examples of this include our roll out of automatic bag drop technology and greater use of common use infrastructure.

The airport sector is a blueprint for effective infrastructure planning and funding

The planning, funding, building and cost recovery of infrastructure assets is complex and will necessarily vary from sector to sector. However, Auckland Airport believes lessons can be learned from the airport sector which invests in long run assets well ahead of time to meet future demand. A significant part of the success of airports is a stable and predictable regulatory framework.

The regulatory framework for airports, which centres around Part 4 of the Commerce Act and the Civil Aviation Act, has been carefully and deliberately designed to ensure that airports are incentivised to make decisions that are aligned to the interests of the New Zealand community.

It achieves this by ensuring airport owners have incentives to innovate and invest, provide services that are efficient and at a quality that customers expect, set prices that deliver a reasonable and fair return on investment, and share the benefits of these outcomes with consumers. In the case of regulated airports, the achievement of these outcomes is interrelated, and each are not mutually exclusive. The interdependencies between these outcomes can be complex.

Auckland Airport makes its decisions with a holistic view and is materially guided by the purpose of Part 4 of the Commerce Act, which is to promote the long-term benefit of consumers.

The airport regulatory system requires airports to invest for the long-term interests of consumers

The Draft Infrastructure Plan states:

Infrastructure providers should act in their consumers' interests. One way to do this is through pricing models that incentivise them to provide infrastructure services that users value. Another approach is through consultation with users.²

Auckland Airport agrees and notes that a key function of the Commerce Act is to incentivise regulated entities to innovate, invest and set prices as if they were operating in competitive markets. The Commerce Act gives airlines, passengers, and the public confidence that airport prices are carefully scrutinised by an independent regulator, the Commerce Commission, which checks that they are in the long-term interest of consumers.

Airports are also subject to obligations under the Civil Aviation Act to consult with substantial customer airlines before making major capital investment decisions.³ Investment plans are also reviewed by the Commission at least every five years as part of its review of a price setting event.

² New Zealand Infrastructure Commission (2025), *Draft National Infrastructure Plan*, p 58, [tw-nip-draft-web.pdf](#)

³ Civil Aviation Act 2023, (2025), section 231

The significant scrutiny by airlines of investment provides useful feedback for the airport to consider as part of its investment decision making process and design and development activities. The regulatory regime has been deliberately designed to facilitate this airline input and ensure it is taken into consideration, while preserving the final decision-making aspects to allow airports to balance the short-term horizons airlines plan for with the long-time horizons airports must consider in order to create additional capacity for forecasted demand growth and service quality.

The regulatory settings for airports provide an appropriate balance between ensuring that those who best understand complex, long-term investment requirements (airports) can make necessary decisions, subject to the discipline provided by consultation with customers, and the knowledge that their investment plans will be transparently and robustly assessed against the purpose of Part 4. This balance works, airports are investing in new capacity to allow for the aviation system to grow so it can support New Zealand's economy.

Infrastructure would risk being held up and under invested in if stakeholders such as airlines, who have shorter term horizons and incentives to protect existing market share by constraining capacity, were given greater say in what airports invest in.

Airports are required to plan for the long term

Auckland Airport agrees with comments in the Draft Plan regarding the importance of long-term planning.

Airports are required to plan for the long-term, consult on those plans with substantial customers and make public disclosures about future plans. There a multiple and overlapping layers of consultation that airports are required to undertake on infrastructure planning, which ensures substantial customers and community are well consulted.

As an example, in the case of Auckland Airport's new domestic jet terminal development (that is currently under construction) was included in the 2014 Auckland Airport Master Plan, has been included in the capital plan since 2017, and has been consulted on with substantial customers, at a project level since 2012.

Figure 1: Illustrative example of the layers of planning and consultation⁴

⁴ Note that the capital plan and the Master Plan are typically produced every 5 years, so there will be more iterations than what's shown on the diagram



Master planning

Auckland Airport's Master Plan is a spatial plan which provides a vision of integrated land use and infrastructure to meet the evolving requirements of our aviation customers and partners, and the needs of travellers, the community, and the nation to 2047. The plan is our guideline for how we will manage journeys for decades to come, ensuring we build what is needed, in the right place, and at the right time.

Capital Planning

Auckland Airport's Capital Plan focuses on the specific projects we intend to deliver over the next 5-10-years, including details such as financial planning, project prioritisation and resource allocation, and is subject to formal consultation with our substantial customer airlines.

Regulated airports are required to publish a capital plan for five years beyond the current pricing period (e.g. a 10-year capital plan) as part of their price setting disclosures. This allows interested parties, to have a clear view of capital plans during the pricing period and beyond, to provide a forward-look at future planned investment.

There is a real opportunity for the private and public sector to work together is to share our long- and medium-term plans and time our respective investment in infrastructure, with the aim to create a steady pipeline of work to avoid the boom and bust in the infrastructure delivery space. Smoothing through the investment cycles will better support the retention of skills and businesses in New Zealand and support the broader New Zealand economy.

Predictably of regulatory regime

Auckland Airport agrees with the statements in the Draft Infrastructure Plan regarding the importance of regulatory certainty.

Infrastructure providers benefit from predictable processes for reviewing and changing policies. When key policies, from resource management legislation to energy market and emissions reduction policies, are frequently 'chopped and changed', it disrupts investment. Infrastructure providers may

hold off until policy settles down, leading to a backlog of investment and extra congestion on networks.⁵

and

Regulatory inefficiencies, complex approval processes, and inconsistent frameworks were highlighted as the main factors delaying infrastructure projects and driving up costs⁶

The Airport sector benefits from a stable regulatory regime which is well understood by the sector and investors. Regulatory change and reviews of regulatory regimes do not come without cost, and we would encourage the Commission to continue to reinforce the importance of stable regulatory settings in the infrastructure sector in its Final Plan.

Certainty is particularly important when firms are investing significant capital. The Prime Minister recently noted that foreign investment for infrastructure is a priority:

We also want to seriously step-change our foreign direct investment into New Zealand, particularly in productivity enhancing infrastructure projects.⁷

There is no better example of this occurring than in the airport sector, and this is enabled by the current regulatory settings.

In 2024, Auckland Airport raised \$1.4 billion of equity to fund its infrastructure build. This investor funding is used to finance capital investment while under construction and before the airport can begin recovering the investment from users. Investors expect a fair return on the risk involved in funding the investment during this construction period and provided this capital on the basis of the form of the current regulatory settings.

Auckland Airport's view on specific aspects of the report

While Auckland Airport supports the overall themes of the report, we provide some specific comments on several key aspects below.

The role of airports should be given greater emphasis

While Auckland Airport welcomes and supports the Draft Plan and its focus on the importance of the transport sector, the focus is almost exclusively on land transport. We submit the final plan

⁵ New Zealand Infrastructure Commission (2025), *Draft National Infrastructure Plan*, p 81, [tw-nip-draft-web.pdf](#)

⁶ New Zealand Infrastructure Commission (2025), *Draft National Infrastructure Plan*, p 21, [tw-nip-draft-web.pdf](#)

⁷ NZ Herald, (2025, 14 May), [Capital Markets: Prime Minister on the hunt for Kiwi expats for Invest New Zealand - NZ Herald](#)

should include greater recognition of the essential role the aviation systems. Airports should be specifically acknowledged and recognised as significant infrastructure.

The Plan should also include greater recognition that land transport and other infrastructure must be effectively integrated with airports to ensure a cohesive and efficient transport system. The single reference to "*efficient connections between different modes of transport*" appears limited to land transport modes only.

Establish affordable and sustainable funding

Auckland Airport agrees that user pays funding models are appropriate for network infrastructure, like airports. This is exactly how Auckland Airport is funded and it's a model that works. It is significant that Auckland Airport is underway with one of the country's biggest infrastructure upgrades that will be of immense benefit to the economy, and it is fully privately funded. The cost will be recovered on a user pays basis over several decades.

Auckland Airport's users (e.g. airlines and their passengers) pay a small fee each time they use the infrastructure at Auckland Airport. This charge covers the cost of operating the airport infrastructure as well as recovering the cost of infrastructure over its life.

Spatial planning is essential and existing and planned infrastructure must be protected from reverse sensitivity effects

Auckland Airport agrees that spatial planning is an essential element of infrastructure investment. Spatial plans are a key guideline for ensuring infrastructure providers build what is needed, in the right place, and at the right time. Airports do this well, with long term master plans setting out how we plan to use our land and grow into the future.

Auckland Airport agrees with the Draft Plan that there is a need for greater emphasis on maintaining existing infrastructure.

In the context of airports, reverse sensitivity is an important aspect of maintenance because it allows existing airports to continue to operate effectively. Reverse sensitivity effects occur where new activities sensitive to aircraft noise establish or intensify in areas exposed to high aircraft noise with corresponding adverse health and amenity effects on people living in these environments. This can give rise to complaints against airport operations and submissions on planning processes seeking to constrain these operations. Land use controls in aircraft noise overlays are therefore critical to protect airports. A range of other infrastructure relies on similar controls and would benefit from clear recognition of these matters in the Draft Plan.

The implications of not addressing reverse sensitivity appropriately are significant. By way of example, curfews and corresponding implications on operations at Sydney Kingsford Smith Airport have led to the establishment of a new Western Sydney Airport. This has come at significant cost to Australian taxpayers. Auckland Airport operates without a curfew; we can operate 24/7.

The Draft Plan acknowledges that land-use regulations should maximise benefits from new and existing infrastructure, noting that such regulations can affect infrastructure operation (e.g.

limiting airport hours) and Auckland Airport acknowledges that this is a is being given more emphasis than the earlier Discussion Document. Auckland Airport submits that the Draft Plan should specifically address the importance of protection against reverse sensitivity effects, which, if not managed appropriately, can constrain infrastructure and in some circumstances force existing infrastructure to relocate.

Right-size new investment

Auckland Airport agrees that right sized investment is a key pillar for infrastructure investment. In the airport sector, underinvestment can lead to congestion, long wait times and infrastructure which does not meet consumers quality expectation. It can also entrench a lack of competition if new airlines are unable to enter the market due to constrained capacity. This can lead to higher fares and lack of choice for consumers.

However, over-investment can also harm consumers by increasing the cost more than necessary. Airports achieve right-sized investment through the planning and consultation process. Key customer groups, including airlines and border agencies, as well as independent experts input into the planning and decision-making process. This has proven to be effective at Auckland Airport.

Earlier this year, the Commerce Commission completed a detailed review, undertaken over an almost two-year period, which found that Auckland Airport is behaving as the regulatory regime envisaged and is making investments that are in the best interest of consumers. The Commission found that the size and scale of Auckland Airport's investment is reasonable and benchmarks well with other international airports. Auckland Airport also discounted our charges to within a range the Commission considered reasonable. This is a clear example of striking the appropriate balance between making the investment that is needed and charging a fair return.

Conclusion

Auckland Airport applauds the Commission's work to elevate the importance of infrastructure for New Zealand's future. We would welcome the opportunity to brief the Commission further on our upgrade program and role in the infrastructure landscape.