

13 August 2025

Te Waihanga  
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By email: [REDACTED]

**Re: Draft National Infrastructure Plan**

Air New Zealand welcomes the opportunity to comment on the Draft National Infrastructure Plan (the Plan). High-quality, right-sized infrastructure is foundational to New Zealand's productivity and resilience. In aviation, it enables tourism and trade and keeps our regions connected.

We support the aim of clearer forward guidance, better prioritisation, and stronger assurance across the infrastructure system. We will limit our comments to aviation-related matters within the scope of the Plan.

Our overarching comments are:

- 1. We support right-sized infrastructure investment in the right locations.**
- 2. We are concerned about the implications that unnecessary and excessive airport investment will have on the cost of air travel and the viability of regional routes into the future.**
- 3. We would strongly support a proxy for investment levels across the New Zealand network, linked to passenger forecasts, with a focus on financial viability.**

New Zealand's aviation network is a core part of the national transport system. It connects people and freight across long distances and challenging terrain, often where no practical surface alternative exists. Yet system-wide oversight of aviation costs and investment is weak. Airlines and passengers face a growing stack of charges across border agencies, air navigation, security, meteorological services and airports, each set in isolation. The cumulative effect is materially raising the cost of travel and eroding regional connectivity. Aviation assets also have long delivery lead times, which makes early prioritisation and right-sizing decisions critical.

The Plan provides a strong platform to address this. Below we set out where the Plan's existing recommendations align with aviation, where there are gaps, and the specific changes that would strengthen outcomes.

**1) Recognise aviation in the Plan's sector lens and priorities**

The Plan's sector view focuses on seven broad sectors however aviation is not explicitly covered, despite being an essential national network with distinct regulatory and funding settings. Elevating aviation within the sector view would ensure challenges in planning, funding and delivery are addressed consistently.

Aviation in New Zealand connects a population comparable to Greater Sydney over a land area more than twenty times larger, with many more commercial airports and regional destinations. Regions also expect reasonable price and service levels for critical trips such as health, education and business.

**Recommendation:**

- We would recommend adding aviation to the sector chapter and include airport and air navigation investment within the National Infrastructure Pipeline view of “infrastructure choices on the horizon,” so that major airport programmes are visible alongside other nationally significant networks with shared performance, capacity and affordability indicators.

**2) Apply the Plan’s pricing and funding principles to aviation**

We support the Plan’s direction to use fit-for-purpose pricing and funding tools, so networks invest enough to meet long-term needs while discouraging unaffordable spending. The Plan also recognises that user-pays is appropriate for network infrastructure, with scope for cross-subsidies or public support where broader benefits or equity considerations exist.

Air New Zealand supports user-pays in aviation, provided price-setting is transparent, aligned to best-practice principles, and considers whole-of-system affordability for passengers. The same principles the Plan sets out for other networks, prices guiding efficient investment and use, risk allocation, and transparency, should apply to aviation.

**3) Strengthen assurance on major, long-dated aviation capex**

The Plan highlights the importance of independent assurance, robust business cases, and improved prioritisation before committing to large investments. It also cautions against “big-bang” capacity far in advance of demand and encourages phasing and flexibility where there is uncertainty around future requirements. These are directly relevant to very large, long-dated airport programmes.

**Recommendations:**

- Introduce an ex-ante, independent verification step for major airport capex above a materiality threshold (e.g., a percentage of RAB or where forecast charges breach a published affordability guardrail). Verification should test demand assumptions, options and right-sizing, staging, value engineering, cost realism, and user affordability before costs are sunk.
- Ask the Infrastructure Priorities Programme to publish demand and affordability summaries for airport projects alongside readiness and value-for-money indicators, enabling better sequencing across sectors.

**4) Build system-wide cost visibility for aviation**

We agree that “pricing and funding settings determine what resources are available... while discouraging unaffordable spending,” and that central government policy choices affect how providers can fund themselves. For aviation, a fragmented set of charges is trending upward with limited visibility of the system-wide impact on passengers and regional access.

**Recommendation:**

- Establish an aviation cost-transparency dashboard within the Pipeline/Plan ecosystem that tracks total per-passenger charges and forecasts under different investment paths, supporting better sequencing and affordability trade-offs across the system.

**5) Align the Pipeline and forward guidance with aviation demand risk**

The Plan notes that New Zealand has more projects in planning than it can afford and that improved prioritisation is needed. It also stresses that forward guidance should be refreshed regularly and that options should be phased as demand becomes clear. Aviation projects should be held to the same disciplines.

**Recommendations:**

- Incorporate aviation demand-uncertainty tests into the Pipeline and IPP for airport projects, with explicit triggers for staging, scope changes or deferral where demand under-performs.
- Publish affordability indicators for major airport proposals (e.g., total forecast charges per departing passenger) alongside readiness and value-for-money indicators in IPP summaries.

**6) Avoid duplicated and low-value regional investment**

Many regional routes are thin and often adjacent regional airports are competing for the same demand. Duplicated investment raises costs and weakens network viability.

**Recommendations:**

- Require a regional network lens for aviation projects: before endorsing new capacity, assess nearby airport options, whole-of-region demand, and system affordability.
- Set no-regrets criteria for public co-funding: target projects that demonstrably improve access at the lowest whole-of-system cost, rather than duplicating capacity in adjacent centres.

**7) Address “regulatory certainty” and investor confidence**

We anticipate arguments that stronger assurance or pricing scrutiny could deter investment. Internationally, predictability - not absence of scrutiny - creates the right kind of certainty. Clear rules, proportionate ex-ante checks and transparent affordability guardrails reduce planning risk, avoid stranded or gold-plated capacity, and protect consumers from avoidable price shocks. We do not seek to halt investment; we seek to right-size and sequence it so New Zealand can afford the network it needs.

**Recommendation**

- Publish aviation affordability guardrails (illustrative ranges for total per-passenger charges by airport tier) to anchor investment and pricing choices.

**6) What success looks like**

If adopted, these changes would operationalise the Plan’s principles for a critical national network:

- Investment decisions for monopoly airport assets face proportionate, independent scrutiny before costs are sunk, consistent with the Plan's emphasis on readiness, robust business cases and asset-management assurance.
- The Pipeline and IPP give decision-makers a clearer line of sight to affordability, staging and demand risk for major airport programmes, improving sequencing alongside other sectors.

Air New Zealand is committed to ongoing safety, efficiency and cost discipline. We would welcome the opportunity to work with Te Waihanga to refine these proposals and to ensure the final Plan gives aviation the same clarity, transparency and assurance that New Zealanders expect across all national infrastructure networks.

Ngā mihi nui,

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