NZ AIRPORTS ASSOCIATION

SUBMISSION ON
THE DRAFT NATIONAL INFRASTRUCTURE PLAN

Summary

1. Thank you for the opportunity to make a submission on the draft National Infrastructure Plan (the NIP). NZ Airports supports the Commission's 19 broad recommendations in the NIP. In this submission we provide further comments and recommendations, as well as content for the Commission to consider when addressing the gap in the plan on the airports sector.
2. NZ Airports strongly supports the Commission's efforts to improve the quality and overall effectiveness of the New Zealand Government's processes for decision making on infrastructure planning and funding. There are great gains to be made from the Infrastructure Commission's clear, comprehensive, and deliverable pathway for improvements and higher standards in infrastructure decision making, planning, and cost-effective delivery.
3. While the draft NIP focuses on Government-owned infrastructure, there are many recommendations that will benefit commercially-owned or managed infrastructure and the sectors with greater proportions of private sector investment and local government ownership – like airports.
4. NZ Airports strongly supports the Infrastructure Commission's highlighting that planning and funding for the maintenance of existing infrastructure is vital and an issue that needs to be improved in most sectors.
5. The finalised NIP will have maximum utility if its recommendations lead to higher standards within government and political processes for greater transparency that acknowledges all costs, including maintenance, alongside clearly evidenced projected benefits of infrastructure. This should support better-informed public understanding and support for well-targeted projects.
6. NZ Airports reinforces the Infrastructure Commission's position that under a user-pays funding system, network infrastructure sectors require policy and regulatory certainty to plan, invest and deliver infrastructure over time. Infrastructure requires long-run investment certainty. Regulatory processes must be transparent, predictable and utilise clear methodology and reasoning. This is critical for all airports to secure ongoing maintenance investment, whether they are privately owned or owned by local authorities.

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- NZ Airports supports the Commission's recommendations to improve infrastructure decision-making.
- We support greater use of user-pays for network infrastructure, if accompanied by clear and transparent criteria for public-good contributions. A Minimum Operating Network approach can be used in the aviation sector.
- NZ Airports re-enforces infrastructure sectors' need for regulatory and policy certainty over the long-term.
- The Commission's recommendations should support the Government to become a better infrastructure owner.

7. NZ Airports represents 49 airports across New Zealand[1], including the international gateways to New Zealand, the domestic airports which make up the national air transportation network, and smaller airports focused on general aviation services. New Zealand's airports are essential infrastructure of national and regional significance that play a crucial role in the socio-economic wellbeing of our communities. In addition, our membership also includes private sector firms providing design, engineering, and construction services to airports.
8. Our role as the peak sector body representing airport infrastructure owners, some design and engineering consultancies, and construction companies, plus our nationwide distribution of airport members of all sizes, gives us excellent insight into how airport infrastructure is developed and provided.
9. This submission on the draft NIP should be read alongside NZ Airport's earlier submission (NIPC24-0002995) on the commission's 2024 discussion document *Testing our thinking - Developing an enduring National Infrastructure Plan*. We also encourage the Commission to review three other key reports:
    a) *Linking the Long White Cloud*, NZ Airports' 2017 report into the infrastructure deficit in regional airports and connectivity, which is an ongoing reference point for regional airports and airlines.
    b) The Air Navigation Systems review, an independent review commissioned by the Minister of Transport in 2021 and completed in 2023, which covers issues of user pays and public good funding in the aviation sector including for airport infrastructure, airline connectivity, and system enabling infrastructure such as air traffic control.
    c) The 2025 WSP report *New Zealand Airports: Future Infrastructure Requirements*, commissioned by New Zealand Trade and Enterprise in partnership with NZ Airports, which provides a full overview of airport infrastructure and future considerations including the energy transition and regional funding gaps.

[1] Our member airports include Alexandra Airport, Ardmore Airport, Ashburton Airport, Auckland Airport, Chatham Islands Airport, Christchurch Airport, Dunedin Airport, Gisborne Airport, Great Barrier Airport, Hamilton Airport, Hawke's Bay Airport, Hokitika Airport, Invercargill Airport, Kapiti Coast Airport, Kaikohe Airport, Katikati Airport, Kerikeri Airport, Marlborough Airport, Masterton Airport, Matamata Airport, Motueka Airport, Nelson Airport, New Plymouth Airport, Oamaru Airport, Pauanui Airfield, Palmerston North Airport, Queenstown Airport, Rangiora Airport, Rotorua Airport, Takaka Airport, Taupo Airport, Tauranga Airport, Te Anau Airport Manapouri, Te Kowhai Aerodrome, Thames Aerodrome, Timaru Airport, Wairoa Airport, Wanaka Airport, Whanganui Airport, Wellington Airport and West Auckland Airport.

https://nzairports.co.nz/wp-content/uploads/2024/05/linking-the-long-white-cloud-NZ-Airports-position-paper-july-2017.pdf
https://www.transport.govt.nz/assets/Uploads/Air-Navigation-System-Review-phase-two-report-May-2023.pdf
https://nzairports.co.nz/wp-content/uploads/2025/05/NZ-Airport-Future-Infrastructure-Requirements-FINAL-Report-v3.pdf

Discussion of the National Infrastructure Plan

10. We endorse the direction the Commission has taken on the draft plan. Increased transparency, more certainty in future infrastructure outcomes and investment levels, and more rigor in decision making by central and local governments, will drive system improvements. In turn, these improvements should increase the public's willingness to support funding for new infrastructure because there will be a clearer link between the planning (the what and where), the funding (who's paying) and then delivery (who's benefiting), plus improved timeliness of project completion which then serves the public.
11. Without the substantial changes recommended in the NIP, NZ Airports believes that it will become increasingly difficult for New Zealand governments and local authorities to reach political agreement, gain public support and obtain funding for new (or the renewal of) publicly owned infrastructure.
12. The Commission is right to state that infrastructure enables modern economies, thriving societies, and greater connectivity. However, in the current New Zealand context, these goals, particularly those tied to economic growth, connectivity, and technological advancement, are increasingly contested when compared to other countries with stronger visions for economic prosperity. We note the 'Golden Age' of building infrastructure with strong public support was during New Zealand's nation-building phases and has tapered off since the 1980s. Today, some individuals and communities feel they have 'enough' for their needs and are extremely cautious about the financial, environmental, or social costs of additional large-scale investment. Any future planning must grapple with this divergence between public expectations and low trust in government. The best method to avoid this growing scepticism and public resistance is a more rigorous and transparent decision-making process that provides greater clarity and assurance on the costs and benefits for new builds, and more certainty in the timing and final costs of the project.
13. Increased difficulty in gaining project approval will also come from the increasingly constrained fiscal capacity for central government and local authorities as the overall population ages (with increased NZ Superannuation and healthcare costs) and as the working age proportion shrinks.
14. NZ Airports agrees with the Commission's view that sourcing a sufficient sized and skilled workforce to build and then maintain infrastructure will be an ongoing challenge. This poses a difficult question for any long-term planning for the infrastructure sector (such as the NIP or the Infrastructure Priorities Plan). These issues must be assessed with a mobile workforce in mind – as Australian states increase their infrastructure investment, the workforce pool for New Zealand will continue to diminish without a clear strategy for domestic investment.

User-pays for network infrastructure

15. NZ Airports welcomes the Commission's recommendation that funding of network infrastructure should move to a user-pays funding model where

possible. This has been a successful model for airports and other forms of network infrastructure such as electricity transmission and distribution. The clearly positive performance of these sectors should be replicated in other networked infrastructure sectors.

16. However, a pure user-pays funding model cannot fully apply in all network infrastructure sectors and that some element of public good funding can be optimal over the longer term. User-pays can provide funding for ongoing maintenance or 'Business as Usual' operations but it struggles to fund new capacity growth or system upgrades. For example, New Zealand's air navigation service provider Airways NZ, which is a State-Owned Enterprise, struggles to fund necessary system upgrades as innovative technology develops but the customer base for the advanced services does not yet exist. In other nations with greater public good funding for air navigation infrastructure, it is much more straightforward to invest in the system transformation that will benefit future user groups.
17. In our interactions with governments, we observe that a considerable amount of energy goes into debating where public good considerations should begin and end in various sectors. While these issues are deliberated, infrastructure deteriorates and gaps in investment become entrenched.
18. NZ Airports submits that the Infrastructure Commission should develop a best-practice framework of clear and transparent criteria to guide governments and the public when some public good funding of user-pays infrastructure is required for long-term network health or system operability. These criteria should be capable of responding to sectors in transition – for example, those undergoing decarbonisation or rapid technological change – where future public good outcomes may not be fully reflected in current demand or commercial signals. In such cases, public investment may be justified not because of entrenched precedent but as a temporary or future-proofing measure that enables broader economic development, national resilience, or emissions reductions. A static view of public versus private benefit risks overlooking emerging needs and opportunities in infrastructure planning.

Simplifying land planning and consenting

19. NZ Airports welcomes the Infrastructure Commission's highlighting the complex land planning policy and legislative environment that infrastructure providers must work in. Fragmented land use priorities, plus a multi-faceted mix of local authorities with differing capabilities, creates a complex and conflicted regulatory environment for infrastructure.
20. Current legislation and National Direction proposals will hopefully bring more standardisation and a less complex consenting process. We see the NPS-Infrastructure as a vital and long-overdue step toward a more enabling, consistent planning framework that properly recognises the role of infrastructure in delivering public good across generations. As a short to medium term initiative,

refining and finalising the NPS-I must be a priority foundational initiative for the National Infrastructure Plan.

National Infrastructure Pipeline

21. The Commission's National Infrastructure Pipeline is supported and welcomed as an extremely useful transparency and information gathering project that provides the entire construction sector and other infrastructure owners with a comprehensive overview of many (eventually all, hopefully) potential projects. The comprehensive overview from the National Infrastructure Pipeline will enable greater co-ordination between infrastructure owners on optimal timing of their own construction or upgrades, and a consistent and current market view for the construction sector. The Pipeline will enable cooperation on development between infrastructure owners to occur naturally – i.e. outside of government direction and action – using the Pipeline database.

Additional areas where New Zealand could benefit from the National Infrastructure Plan

22. NZ Airports recommends that the Commission strengthen its advice on lifting decision-making standards by embedding more rigorous, transparent, and future-oriented practices. In particular, we suggest the following enhancements.

    a) Improve lifecycle cost discipline. Require 'whole of life' costings for proposed social infrastructure builds, including Net Present Value assessments of annual maintenance over the working life of the asset, in addition to permitting and construction costs. For government-owned social infrastructure, deferred maintenance liabilities should be publicly reported in financial statements or on risk registers. Project costings should explicitly consider likely future upgrades and eventual replacement, not just initial build estimates.

    b) Strengthen national-local alignment and planning clarity. The NIP should provide clearer guidance for governments on how to strike an optimal balance between empowering local planning and funding decisions, and upholding national standards of infrastructure quality, resilience, and interoperability.

    c) Embed better public insights into decisions. The Commission should help build public sector capability in robust, consistent consultation and survey techniques that support future decision makers. These methods should help answer foundational questions such as: what do local and regional communities want from new infrastructure, and what are they willing to pay or tolerate in terms of disruption?

Recommendations for the future NIP and the Infrastructure Commission on the Airports Sector

23. NZ Airports appreciates the Commission's acknowledgment that the draft plan lacks detailed coverage of airports and ports. We welcome the opportunity to help address this gap. As critical nodes in New Zealand's passenger transport and freight logistics systems, airports support not only domestic connectivity and tourism but also resilience, economic development, regional equity, and future-ready infrastructure transitions such as decarbonisation and digitalisation.
24. The optimal decision for the airports sector that the Infrastructure Commission can make (and for Government to follow) is to recognise that airports are highly varied in their markets served, their functions, ownership and capacities, and therefore cannot be accurately and meaningfully categorised into a few broad types with specific infrastructure regulations. The optimal approach to maximising the health of the airport infrastructure sector is to remove unnecessary rigidities in infrastructure regulations and allow each airport's owners and managers to maximise their airport's opportunities for growth and additional business revenues.
25. The Commission could greatly improve how decision-makers conceptualise airports' broader overall contribution to New Zealand. While certificated airports' infrastructure is predominantly funded through per-passenger fees or aircraft landing fees, airports conduct other types of aviation operations that benefit the public but are not funded by the public, except in some cases through a local authority owner's supplementing funding.

A Minimum Operating Network requires inclusion in the NIP

26. Air connectivity is essential to New Zealand's national infrastructure landscape. Our geographic isolation, dispersed population, and limited alternative transport options mean that airports and air services are not optional add-ons, but a necessary enabler of participation in modern life, commerce, and services.
27. New Zealand is currently well serviced by airports in parts of the country due to public investment in the 1960s and commercialisation of many airports over time. However, some regions remain underserved, or are only marginally viable in economic terms, despite their communities' reliance on air links for health, education, work, and social participation.
28. NZ Airports supports the concept of a **minimum operating network (MON)** – a national approach that recognises the essential nature of air connectivity and sets baseline expectations for availability, quality, and resilience. This concept is also discussed in the independent Air Navigation Systems review. A Minimum Operating Network of airports and aerodromes would ensure residents in any part of New Zealand have rapid or at least adequate access to:
    - commercial air travel,
    - aeromedical transport,
    - air support in disaster situations or emergency management, and

- rapid transport into the region of Police, military personnel, or regulatory officials (e.g. Fisheries/MPI/Conservation/Child Protection).

29. The concept of a MON should not be interpreted as an invitation for government to intervene in areas where airport and airline services are already functioning effectively. In most parts of New Zealand, market-driven connectivity is working well. Airports serving larger population centres are commercially viable and are successfully supporting not just essential services but also wider economic growth and social cohesion objectives. Where multiple airports serve overlapping catchments or routes, this competition drives efficiency, service improvements, and innovation. It also provides resilience by offering network alternatives.

30. Rather, it is a concept that should help the government consider the 'edges' of the airport network that is not being sustained through user pays but where there is a case for public good funding. In this way, government can focus its attention and investment on ensuring system-wide integrity, without undermining efficiency or crowding out private sector initiative where it is already delivering.[2]

31. Compared to most other developed countries, New Zealand takes a notably hands-off approach to regional air connectivity. While this has encouraged commercial discipline and reduced direct reliance on the taxpayer, it has also left essential air services more vulnerable to financial strain. In many countries, foundational public support mechanisms, such as Public Service Obligations (PSOs) in Europe or subsidised regional routes in Australia and Canada, are used to ensure minimum service levels to remote and underserved communities.

32. New Zealand currently provides no support for regional connectivity. As a result, some essential services have deteriorated over time or are maintained through fragile commercial arrangements. A MON framework offers an opportunity to rethink this balance - ensuring that critical national infrastructure is protected and resilient, without undermining the efficient market-based parts of the system.

33. The MON concept is highly relevant at present as the New Zealand Government is currently:

    a) looking to improve the Emergency Management legislation and system response for a climate-change affected future with more frequent extreme weather events, and

    b) seeks to improve health services for regional New Zealanders and bring more centralisation of specialised care in tertiary hospitals to provide a higher quality of advanced care, within a national system. This can only be achieved through greater use of aeromedical transfers.

34. Our report *Linking the Long White Cloud* assesses focus areas for the MON from 2017, including the Chatham Islands, Gisborne, Hokitika, Kaitaia, Kerikeri and

[2] Beyond the MON baseline, any additional connectivity, such as increased frequency, new routes, or added capacity, should be viewed as delivering net public and economic benefit. These enhancements support tourism, trade, labour mobility, and regional investment, contributing directly to national productivity and prosperity. Once the MON is secured, further improvements in air connectivity should be encouraged as growth-enabling infrastructure, just as a more efficient road network multiplies the productivity and competitiveness of the economy

Westport. An updated assessment can be done of capacity and connectivity issues alongside the Commission.

The Government-owned Airports

35. Airports in New Zealand are primarily funded through user-pays models. However, the Crown has a significant co-ownership role in five Joint Venture airports through the Ministry of Transport. These airports, generally small-scale and serving regional communities, often face long-term economic viability challenges. The Crown also wholly owns several airport facilities through the New Zealand Defence Force (e.g. Ohakea and Whenuapai) and through the Department of Conservation at Milford Sound. In addition, it remains a partial shareholder in Christchurch International Airport and Hawke's Bay Airport, which return dividends to the Crown.
36. While the Defence estate is specifically mentioned in the draft plan, it is equally important to recognise the unique and often overlooked infrastructure role of the Crown in the Joint Venture airports. These airports rely on government approval not only for their landing charges but also for infrastructure upgrades and maintenance decisions, with a matching 50% Crown funding contribution. However, the Joint Venture deeds typically only permit 'essential' aeronautical infrastructure upgrades. This restrictive scope discourages proactive or growth-oriented investment that could enhance airport performance and reduce long-term reliance on Crown support. Compounding this, the current flat capital budget for all JV airports is insufficient to meet even baseline maintenance needs, such as regular runway overlays, across five geographically dispersed facilities.
37. NZ Airports recommends that the Commission provide guidance to central government on how to improve its role as an infrastructure owner. In particular, the Commission should advise on governance, planning, and funding settings that would allow Joint Venture airports to move beyond minimum compliance and instead support long-term investment, network resilience, and regional economic development. Better ownership practice would improve asset performance and contribute to the goals of the Infrastructure Strategy without requiring wholesale structural reform.
38. In this context, we note the example of Australia, where superannuation funds have become long-term, active owners of several airports. IFM Investors, for instance, owns or has stakes in major Australian airports and operates with a clear mandate to deliver both commercial returns and sustained infrastructure investment. This model demonstrates that airport ownership can be more than passive stewardship – it can be a vehicle for growth, renewal, and long-term value creation. Lessons from such approaches could usefully inform how the New Zealand Government thinks about its own infrastructure ownership responsibilities.

Learn from the Airport Infrastructure Sector

39. New Zealanders consider airports as the best performing infrastructure in the country. Around 4 in 5 New Zealanders rate our airports as very/fairly good quality (81%), which is significantly higher than the global average (72%). [3]

40. New Zealand's airports sector could provide several lessons in successful network infrastructure provision and price regulation. Please see the NZ Airports' sector summary at the end of this submission for a comprehensive overview of the current state of this sector.

41. The key drivers of the New Zealand airport sector's relative success in infrastructure construction, operation and ongoing maintenance include (but are not limited to):

    - a very strong reliance on user-pays funding,
    - the resulting need to provide transparency on capital planning and pricing,
    - Master planning forward 30 years, and
    - a legislatively mandated commercial focus and high levels of operational reliability.

42. Together these drivers have served New Zealand well in delivering appropriately sized and timed airport infrastructure that has wide-spread community support, with little public controversy, and which is generally highly regarded by the public.

43. The regulatory intersection between the Commerce Commission's regime, the Civil Aviation Act 2023, and airport master planning processes encourages transparency, long-term investment, and accountability, and we believe it can serve as a model for regulatory alignment elsewhere in the infrastructure system.

Looking beyond current difficulties in the aviation sector

44. Currently, airport infrastructure is not the biggest constraint on aviation productivity, airport revenue, and airport sector health; the biggest constraint is the New Zealand domestic airline market structure because it is dominated by a government-backed monopoly airline.

45. All of New Zealand's airports can handle more flights and will be able to extend or widen runways to serve bigger aircraft whenever additional passenger demand or decarbonisation requires larger aircraft. In a user-pays system, 'growth pays for growth' – airports build more capacity when reasonably certain passenger growth can be tapped to pay for the additional infrastructure.

46. Passenger volumes, and therefore revenue, at regional airports are significantly constrained by the current capacity settings of the national carrier. These constraints have system-wide implications: where air services are limited, infrastructure becomes under-utilised, investment confidence declines, and regional connectivity suffers.

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[3] *Ipsos Global Infrastructure Index*, 2024

https://www.ipsos.com/en-nz/2024-global-infrastructure-index-nz-edition

47. Any material shift in the domestic airline market, such as expansion by an existing competitor or the entry of a new airline, would alter this dynamic significantly. The Commission should recognise the interdependence between air services and airport viability and avoid assumptions that today's airline market structure is permanent.

48. Advanced Air Mobility could also substantially change the way New Zealanders move around within regions or within cities, replacing many car trips and ride share use. The vertiports required for AAM are not large in terms of infrastructure builds and that network can easily grow organically as demand patterns in New Zealand develop with the technology's adoption.

49. Decarbonisation will have a significant and lasting impact on airport infrastructure. Sustainable Aviation Fuel (SAF) is the most viable primary pathway for reducing aviation emissions in the near- to medium-term, given its compatibility with existing aircraft and airport fuelling infrastructure. However, electrification, particularly for short-haul and regional aviation, is also progressing and is increasingly seen as a natural evolution for airports to plan for. Both pathways require forward-looking infrastructure strategies. SAF production and distribution may necessitate changes to supply chain logistics, storage, and regulatory settings. Electrification, in contrast, involves investment in on-airport energy infrastructure – such as grid upgrades, charging systems, and energy storage – and may reshape the role of airports as energy hubs.

50. Master planning processes support airports to plan for this future and invest in electrification infrastructure for aviation decarbonisation (such as charging infrastructure for ground handling vehicles) while considering non-aeronautical investments that will support this goal as well as revenue and energy resilience over time, such as solar farms.

Airports as economic engines and regional growth hubs

51. In our initial advice to the Commission, NZ Airports encouraged a broader view of airports – not just part of the national transport system, but as critical economic enablers embedded in regional supply chains and urban growth strategies. Many airports function as industrial and commercial hubs, with property development, retail, and freight activity playing a growing role in their contribution to regional economies.

52. Non-aeronautical investment is not only vital to airport financial resilience, particularly in a constrained domestic aviation market, but also offers wider public benefits by supporting job creation, supply chain efficiency, and economic diversification. These opportunities are magnified when integrated with strategies such as Special Economic Zones, free trade precincts, or innovation corridors. Recognising and enabling these wider roles should form part of the Infrastructure Plan's framing of airports – not just as transport assets, but as platforms for long-term economic development.

53. NZ Airports encourages the Commission to present a clear point of view on the role of aviation in New Zealand's long-term infrastructure and economic

development strategy. Aviation is not a marginal sector – it is critical to national connectivity, resilience, and productivity. New Zealand is fortunate to have a network of well-regarded, future-focused airports with strong planning frameworks and growth capacity in every region. These are strategic assets, already in place and delivering value, with the potential to underpin a uniquely New Zealand approach to regional development, innovation, trade, and decarbonisation.

54. Rather than treating airports as infrastructure to be managed, we urge the Commission to ask: how can this nationwide network be leveraged for growth? Framing aviation infrastructure as a platform for national advantage, rather than just a mode of transport, can help unlock the full value of what has already been built.

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Draft proposed Airport Sector Summary

7.x. Air transport

7.x. Taunga rererangi

7.x.1 Institutional structure

Service delivery responsibilities

- Air transport in New Zealand is delivered by aircraft operators with movements enabled by a network of airports combined with air space management.
- Air space management is provided by Airways Corporation, a Government SOE. Except for the Defence Force, aircraft operators deliver on a commercial basis. Some fixed infrastructure is provided by Airways for air navigation purposes.
- The great majority of fixed infrastructure is in airports. Airports are individually owned and operated on a commercial basis. Currently 26 airports provide an informal network that serve scheduled flights. A further 102 smaller aerodromes enable general aviation operations, flight training for students, tourist flights, and air ambulance services.
- International flight services are currently provided at 6 airports.
- The current delivery arrangements have been in place since the major transport reforms of mid-1980.

Governance and oversight

- The Ministry of Transport provides policy advice to the government on the overall air transport system. However, New Zealand currently lacks a unified national aviation strategy. As such, each player within the industry (airlines, airports, and other businesses) develops plans for resilience, growth, and investment independently. Cooperation across aviation participants is generally strong.
- Safety and security are regulated through the Civil Aviation Authority (CAA).
- The recent formation of a national Aviation Council is a step towards addressing a nation-wide system approach to air transport issues.

7.x.2 Paying for investment

- The Civil Aviation Act requires airports to be operated commercially, with exceptions to accommodate the smaller airports with local government ownership/operation.
- Historically air transport has been funded through user charges. Ad hoc intervention of government, local government and regional communities occurs where commercial viability alone is not sustainable.

- The scale of airport operations spans a wide range. The 26 airports serving scheduled flights range from over 18 million passengers per year for Auckland Airport to 8,000 passengers per year for Westport. Ownership arrangements somewhat reflect the challenges of this wide scale:
    - 17 being companies (1 NZX listed; 12 local government owned and generally managed through CCOs; 4 with private owners),
    - 5 joint ventures between government and local government, and
    - 4 local government owned and managed as a section of the respective council.
- Wherever possible airports incorporate non-aeronautical business to support their commercial viability. This can include hotels, property development, retail precincts, business parks, and dairy and solar farms.
- Regional airports and airlines are experiencing increasing challenges for financial viability on network sectors with lower passenger throughput. The likely reasons for this are complex, but the outcome is an imminent threat to air connectivity that New Zealand society is dependent upon.

7.x.3 Historical investment drivers

- Most of the 26 airports serving scheduled flights have origins prior to the 1980s transport reforms and were developed by joint arrangements between the government and local government to establish a planned network to support the (then) new turboprop aircraft available to make a step change in New Zealand air connectivity.
- Many of the smaller regional airports have been limited to using that infrastructure without change, with minimum or deferred maintenance.
- Larger airports have responded with expansion of infrastructure driven by passenger numbers and freight and the consequential larger aircraft types – with implications for improved runway lengths, apron capacity, terminal capacity, and landside support capacity.
- Airports are now actively appraising the likely impact of aircraft types to be deployed in the foreseeable future. This is affected by not just airline sector viability and available aircraft types, but changes in technology and more environmentally acceptable fuels.
- Airports typically use master plans to inform efficient and effective infrastructure development, resilience, and protection.

7.x.4 Community perceptions and expectations

- Air transport has been a means for New Zealand to overcome its geographic (length of the country), topography (terrain, isolation, and island separation) and spread of population challenges, particularly with resilience risks often present in land transport.
- The importance of international air transport to the economy became particularly evident during the Covid crisis.

- Over the last three decades, communities have generally enjoyed a high standard of air transport. That level of connectivity has become expected (such as for health services, a propensity for travel, tourism, family connections, and civil emergencies).
- There is an expectation that this level of service can be maintained or improved into the future.
- Increased costs for air travel, lack of competitive options, and loss of services are increasingly becoming a community concern.

7.x.5 Current state of the network

- CAA rules largely follow International Civil Aviation Organisation (ICAO) standards.
- 29 airports (including the 26 with scheduled services) are certificated under the CAA rules.
- 10 of the 26 airports with scheduled services are not commercially viable based on user-pay income. A further 4 cannot meet capital investment requirements without non-user input.
- 18 of the 26 perceive growth opportunities, with over half citing lack of airline competition, financial barriers, or regulatory barriers as constraints on that growth.
- 21 are identified as lifeline operators in a civil emergency and plan accordingly.

7.x.6 Forward guidance for capital investment demand

- Prioritise maintenance and preservation of existing infrastructure.
- Ensure that airports, and the broader industry, is match fit for the next generation of aircraft, travel demand and for new types of fuel and aircraft segments.
- Over the next 5-20 years, the New Zealand aviation industry is expecting fleet changes and technology innovations that will require decisions about the right strategic infrastructure investments for airports.
- The national airport landscape will need to invest in future fuels, with benefits to surface transport modes if airports can become energy hubs offering existing fuel supply as well as SAF (sustainable aviation fuel), Hydrogen and electrification.
- Airports should future-proof airport infrastructure to withstand the growing risks posed by climate change.
- Capture opportunities for efficiency and capacity gains through new technology (e.g. Airport collaborative decision-making, AI-powered baggage management, SBAS procedures).

7.x.7 Current investment intentions

- Protecting and maintaining current infrastructure.

- Terminal and apron expansion where demand exists for more capacity.
- Increasing use of open space for renewable energy (mostly solar) generation.
- Some airports are starting to use hydrogen-powered ground support equipment, and to provide for SAF.
- Continue the process currently underway to transfer ownership of lighting and power assets at New Zealand airports from Airways (New Zealand's air navigation service provider) to airports.
- Revenue diversification through non-aeronautical investments (property leasing, business park development, solar farms etc.) supports resilience during a slowing domestic airline market and regional economic development.

(Quantitative data on investment intentions is not readily available on a national scale but can be obtained)

7.x.8 Key issues and opportunities

- Establishing a unified national aviation strategy for Minimum Operating Network requirements and additional growth opportunities, potentially allocating responsibility to a government agency for ensuring a resilient and effective network to meet New Zealand's needs.
- Nationally coordinated, contestable aviation attraction investment fund (to attract new airline services, as well as maintaining and increasing flights on existing city pairs).
- Ensuring investment in airport infrastructure is protected from encroachment of in-compatible land use (largely through engagement with regulators and developers on risks to airports).
- Improving Crown capacity to invest in maintenance for government-owned airports, including upgrades that will improve airports' economic sustainability.
- Growing capacity and role in civil emergencies.