AVIATION ACTION PLAN

Current State Description

Image: Air New Zealand

Companion document

SEPTEMBER 2025

Current state description

This document accompanies the Aviation Action Plan. For each of the ambition areas, this document briefly describes what is working well and what may need improvement.

Ambition: our world-class aviation regulatory environment is robust, internationally credible, and nimble, allowing businesses and New Zealanders to thrive (priority area)

The regulatory framework (Acts, regulations and rules relating to aviation) is the foundation of a safe and secure aviation system and shapes how the industry operates. New Zealand's domestic aviation regulatory settings are heavily influenced by international standards and expectations. Other regulatory frameworks, such as the Commerce Act 1986 and the Radiocommunications Act 1989, also affect the aviation system.

The credibility and integrity of our aviation regulatory system is vital and compromising it has implications for our ability to export high-value products and attract international tourism.

The Civil Aviation Act and regulations have been recently modernised. The Civil Aviation Rules framework was set up in the 1990s, with many amendments since. Maintaining the Civil Aviation Rule set (where the detailed legal requirements for aviation lie) and ensuring they continue to be in line with International Civil Aviation Organisation (ICAO) Standards and Recommended Practices (SARPs) as they evolve is a key challenge. The processes to make or change a rule take up considerable resource and time.

The current Civil Aviation Rules are not always as flexible as they could be – creating unnecessary barriers to new technologies and leading to workarounds such as exemptions. Innovations in advanced aviation are pushing the boundaries of the regulatory framework still further.

Ambition: Aviation is a desirable career path; we have the talented and skilled people we need for the sector to grow (priority area)

New Zealand is facing shortages of pilots and engineering staff. A report[1] developed by the Aviation Industry Association New Zealand (AIANZ), Ringa Hora and research company Scarlatti estimates that the workforce currently requires around 200 new pilots per year, rising to approximately 250 new pilots per year over the next decade, but only 140 pilots are being trained each year. The Scarlatti report also highlights shortages of aviation engineers.

Retention is also an issue. Ringa Hora reports that, of people who joined the aviation industry in 2015, only 60% remained after the first year, and 22% after five years. In contrast, some parts of the workforce are very loyal. For example, 73% of the aircraft manufacturing and repair workforce has only had one employer. This is an ageing workforce which presents natural limits on retention (over half is older than 45, and 7% aged over 65).[2]

The training pipeline for the aviation workforce is influenced by many factors including:

- an increasingly tight global market for labour and skills
- ageing of the current workforce and changing demographics of the future workforce (for example, growth of the Māori workforce as a proportion of the total workforce)
- changes in the industry – for example, fewer businesses now operate small planes suitable for new pilots looking to build experience
- tertiary education policy settings (including student loan policies and the number of training places)
- Civil Aviation Authority training and licensing rules (influenced by ICAO standards and recommendations)
- technological changes, leading to changes in the types of skills that the industry of the future will need.

Members of the sector have been calling for review of government policies affecting training, including the student loan cap, training duration and the number of training places. There are also issues with how pilots progress from study to obtaining the flight experience necessary to become employed by an airline. It is important to embed a safety and security culture at an institutional level and through each participant's habits, practices and interactions.

The Royal New Zealand Air Force is harmonising its systems and rules with the wider civil aviation system, including recognised international standards, and in the future, could play a greater role in training technical, engineering, and logistics personnel who can fill workforce shortages in the civil system.

The advanced aviation sector is growing and this will require new skill sets and training needs, creating further demand for skilled personnel in the sector.

[1] Workforce supply and demand issues for pilots and aviation maintenance engineers are assessed in a report by Scarlatti for the Aviation Industry Association and Ringa Hora. A summary of the findings is available here: https://aianz.org.nz/wp-content/uploads/Summary-report_October-2024.pdf

[2] https://ringahora.nz/wp-content/uploads/2023/10/Ringa-Hora_Aviation_IAP_print.pdf

Ambition: The aviation system has grown and is thriving, connected, resilient and productive, and it adopts innovations readily (priority area)

Aviation system growth is important because air transport drives trade, tourism and economic growth. Growth also contributes to skills development, technology transfer, and regional connectivity, thereby playing a key role in overall economic progress.

Airports and airlines

New Zealand's airports are expected to operate commercially. We have over 30 airports serving scheduled domestic routes, and six international airports (see Annex 1). Some regions have multiple medium and smaller sized airports within a reasonable distance, so passengers can choose between airports based on factors like convenience, cost, and available services.

Airlines also operate commercially in a dynamic market, entering and exiting the market, as market conditions change. Currently, Air New Zealand serves 20 domestic destinations and Jetstar serves five. Additionally, there are around seven smaller airlines providing scheduled services, mainly connecting smaller towns with larger centres and offering charter flights. Although major routes benefit from frequent flights, some smaller communities struggle to maintain regular and affordable air connectivity.

Innovations in aircraft technology, fuel efficiency, and digital services have created opportunities for new entrants, new services, and new options for consumers. For example, drones are now used to monitor crop health and distribute fertilizers and pesticides. Drones are also used to inspect bridges, buildings and other infrastructure for damage, reducing the need for dangerous manual inspection.

Aviation sector participants report multiple pressures that together hinder growth

The sector has raised concerns about the rising costs of doing business in New Zealand. Over the last several years, charges, fees and levies have increased and costs have gone up significantly as supply chains have yet to recover following the Covid pandemic, resulting in delays in receiving new aircraft, parts shortages along with escalating costs, and shortages of skilled labour.

Regional flights are expensive to operate due to New Zealand's short routes and relatively low demand on these routes. These routes can only be served by smaller planes that have higher costs per passenger than larger planes. Sustainable regional operations depend on matching aircraft size, cost base, and route demand.

Reduced passenger volumes and services compared to pre-COVID levels (see Annex 2) are leading to decreased revenue and operational efficiency for both airlines and airports. Lower passenger numbers result in fewer flights and routes, complicating efficient operations, and meaning that there are fewer users paying for the system. Growing tourism and regional travel demand for our air services will be key to improving load factors and stabilising costs across the sector. We are also in a period of high international macroeconomic uncertainty. Factors that depress global GDP, such as variable fuel prices, can also impact on growth.

New Zealand largely follows a user-pays approach to aviation. Some cross-subsidisation in the setting of fees, levies and charges can affect competitiveness and operational efficiency.

Ambition: Aviation infrastructure is well-planned and integrated, supports efficient and sustainable movement of people and goods and enables economic growth (priority area)

Aviation infrastructure includes, but is not limited to, airspace design, system communications, meteorological observation systems, energy supply, and take-off and landing points that are needed for a safe, secure and effective public network of air transport. For example, reliable energy supply is important to ensure that airlines can maintain their flight schedules without disruptions.

The responsibility for maintaining and developing infrastructure depends on the type of infrastructure. For example, airports are responsible for maintaining and developing airport infrastructure, and Airways is responsible for maintaining and investing in aviation infrastructure that supports our country's air traffic system.

Due to our geographic isolation, it is important that our infrastructure supports connectivity, such as making sure international flights have airports available for emergency landings and diversions. Air travel is also a lifeline for remote communities where there is no reliable alternative.

As airports are "lifeline utilities", it is important that we have resilient infrastructure to ensure that those airports can support aviation services to continue or quickly resume operations after natural disasters, pandemics, or other crises.

Airports and airlines are facing several pressures. The Air Navigation System Review[3] highlighted the need for a joint sector view of a system-wide minimum operating network, including infrastructure, to support connectivity, resilience and safe and secure air travel.

Changes to resource management legislation will influence decision-making about aviation infrastructure investment and the capacity for aviation growth.

[3] https://www.transport.govt.nz/area-of-interest/air-transport/aviation-system-review

Ambition: New Zealanders and visitors experience consistently accessible and efficient aviation services and are treated fairly

Overall, consumers are the driving force behind the aviation industry's growth and evolution. Consumers' rights are protected by New Zealand law[4] and international agreements such as the Montreal Convention.[5] The Montreal Convention also sets out the responsibilities and rights of people sending cargo, and cargo carriers.

Disabled people face challenges

One in five New Zealanders has a disability, and as the population ages, more consumers will need accessible travel options. Disabled people face challenges such as time-consuming and repetitive check-in processes when travelling with a wheelchair, or difficulty navigating through airports as a blind traveller. Disabled people want airports, airlines, and government agencies to better understand and consider their needs.

Ambition: We are reducing use of fossil fuels and transitioning to clean energy, in line with New Zealand's target of net zero carbon emissions by 2050

Aviation is a "hard to abate" sector. International efforts to develop and adopt sustainable aviation fuels (SAF) and more efficient aircraft can reduce the industry's carbon footprint.

Domestic aviation emissions make up 7.5 percent of New Zealand's transport emissions. These emissions are managed through the Emissions Trading Scheme (ETS) in a net-based approach to lowering emissions across all sectors. The Government will respond, by the end of 2025, to the recommendation of the Climate Change Commission to include emissions from international aviation in the 2050 emissions reduction target.

Climate change is a global problem. New Zealand has committed to ICAO's global Long-Term Aspirational Goal (LTAG) of Net Zero by 2050. The LTAG is a non-binding global goal. New Zealand is also voluntarily participating in ICAO's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), a global market-based measure for reducing and offsetting carbon emissions in the international aviation sector. Participation in CORSIA will become mandatory in 2027. CORSIA is set to run until 2035.

Collaboration

The Government and industry are collaborating to make aviation in New Zealand more sustainable. Government agencies are working with Australian counterparts to improve regional collaboration on sustainability issues and

[4] Including the Consumer Guarantees Act 1993, Fair Trading Act 1986, Contract and Commercial Law Act 2017 and Civil Aviation Act 2023.

[5] This Convention is given force of law in New Zealand through section 256 of the Civil Aviation Act 2023.

opportunities in the Australia-New Zealand 2+2 Climate and Finance Dialogue.

SAF and emerging technologies

It is expected that over time, SAF technology will continue to develop if current supply constraints and high costs are addressed, but the pace and scale of SAF uptake remain unclear. The scale of development of emerging technologies such as next generation aircraft is also uncertain, along with what infrastructure changes will be required to support the development of this aircraft technology. Subject to manufacturer development, electric and hydrogen vehicles for shorter haul routes may become increasingly available for domestic aviation.

Efforts to reduce emissions

International Air Transport Association (IATA) airline members have committed to net-zero carbon dioxide emissions by 2050, which is consistent with New Zealand's target under the Climate Change Response (Zero Carbon) Act 2019.

Several New Zealand airports have reached the highest international accreditation for emissions reduction. Airports in New Zealand are also contributing to new technology advances to accelerate decarbonisation, including through electric aircraft and hydrogen partnerships.

Maintaining the foundations of a strong aviation system

Our participation in the international aviation system is strategic and we pursue additional capacity coming into New Zealand where it is in New Zealand's interests

International harmonisation is the foundation for international aviation and a key principle of our domestic regulatory framework. A rules-based international order promotes consistency and fairness and allows small countries like New Zealand to thrive through enhanced international relations, equitable opportunities for economic growth, and strengthened partnerships and cooperation.

The rapid pace of change in global aviation standards makes it difficult for small countries to keep up with changes required. Participating in international forums is challenging due to our distance and requires coordinated investment of time and resources. The government is expected to engage in international matters of importance to New Zealand, to meet our international obligations, ensure we align with international standards, and build trust in our systems.

Agreements such as the ANZA Mutual Recognition Agreement support our important partnership with Australia by enhancing operational efficiency and regulatory alignment. Additionally, joint initiatives in areas like trade, defence, and other areas will further strengthen our bilateral ties and increase mutual growth and stability.

Our Pacific neighbours confront distinct challenges that, while similar to our own, are often more severe. These include limited resources and infrastructure constraints. New Zealand has both an interest and responsibility in safeguarding the interests of the Pacific region by supporting the region to be a constructive participant in the international aviation system. New Zealand provides highly valued support for Pacific aviation through International Development Assistance, for example by supporting the Pacific Aviation Safety Office.

We maintain high standards safety and security

Safety and security continue to be the primary focus and most important outcomes of the aviation system. They enable the economic and social benefits of aviation, including our ability to connect to the world.

All participants in the system, including airports, airlines, and those providing supporting services, contribute to keeping consumers safe.[6] Responsibility for aviation safety and security policy and regulation is a vital obligation of the government.

New Zealand's actions to improve aviation safety are shaped by our participation in ICAO and other bodies, and our national safety risks and priorities.

Safety

Aviation safety involves managing risks to prevent aviation accidents and incidents. The aviation industry is subject to significant safety-focused regulation and oversight. New Zealand has recently updated its State Safety Programme (SSP), a document that describes existing safety practices. ICAO carried out a safety audit of New Zealand's aviation system in July 2025 and this is likely to result in some changes to our current arrangements.

Security

The objective of aviation security is to protect passengers, crew, ground personnel and the public against acts of unlawful interference with aviation. The international threat environment directly influences New Zealand's aviation security settings.

Our aviation security settings are guided by and based on international standards, known threats, risks and vulnerabilities. Remaining secure also requires us to consider how the threat environment may change with new technologies. New Zealand is required to align with ICAO security standards with respect to international civil aviation operations, unless it is impossible to do so. These standards are predominantly outcomes focussed, so that States can choose how to achieve the desired security outcome.

The rules-based order is under strain

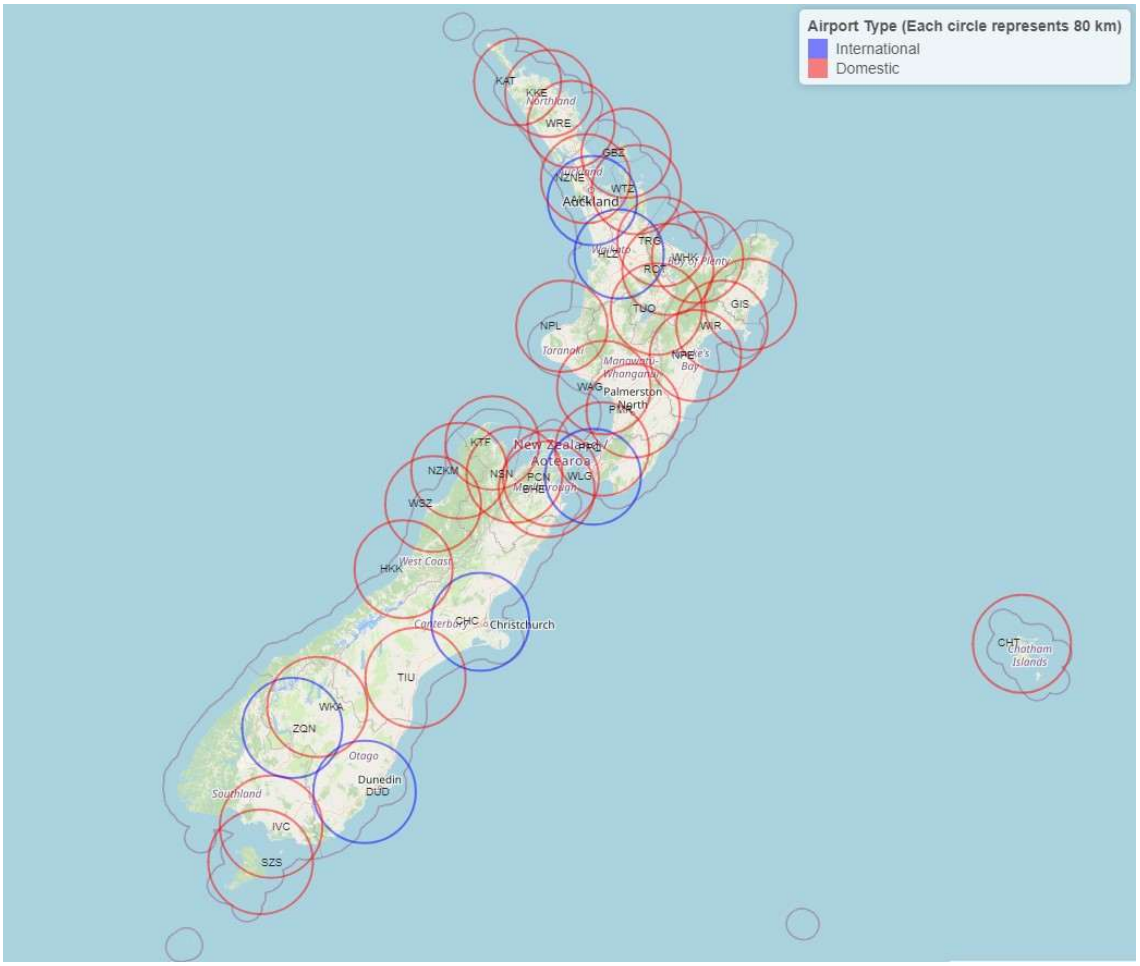
An evolving geopolitical environment is placing a growing strain on the rules-based order. As more States focus on the Pacific, New Zealand will face pressure from those who seek to undermine traditional security relationships and replace us as a trusted partner for Pacific Island countries.

This pressure requires New Zealand to foster international cooperation with like-minded partners on emerging challenges to prevent aviation security threats, strengthen connectivity linkages and ensure we are playing our part in creating stability for the aviation system in our region, and globally. The whole aviation system has a role to play to ensure New Zealand, and our broader Pacific region, continues to be a safe, secure, and reliable place to travel to.

[6] The Aviation Security Stewardship Group (including representatives of airlines, regulated cargo agents, airports, and other organisations that operate within the aviation security system) provides leadership and encourages collaboration between system participants, recognising that the system works best when there is collaboration.

Annex 1 – Geographical coverage of airports with scheduled passenger services

New Zealand has 136 airports, ranging from airstrips through to international airports. This diagram shows civil airports served by one or more scheduled passenger services, indicating most parts of the country are within 80km of an airport.



Annex 2 – Overseas visitor arrivals by air

The number of overseas visitors to New Zealand by air is yet to recover to pre-pandemic levels.

Data sourced from Statistics NZ Infoshare. Graph created by the Ministry of Transport.