

Media release

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Government must step up to save vital regional air routes

New Zealand's vital regional air routes are being crippled by soaring costs as government levy and fee increases on aircraft operators add to an unsustainable burden, says the Aviation Industry Association of New Zealand (AIANZ).

Simon Wallace, Chief Executive of AIANZ says within weeks of the Civil Aviation Authority (CAA) ramping up its fees, levies and charges, in some cases by more than 100%, regional carriers have started crumbling.

"Sounds Air has confirmed that it's axing Blenheim to Christchurch and Christchurch to Wānaka services and selling five aircraft to remain viable. This follows its withdrawal of Wellington to Taupō and Wellington to Westport routes last year.

"Now Air Chathams has announced it is considering cutting back services. And no doubt we will see more of this under the burden of what are now unsustainable costs.

"Loss of these routes rips out lifelines for our communities – literally in the case of Blenheim to Christchurch, a critical healthcare link for Marlborough people needing specialist treatment in Christchurch. As of September 28, that's gone and they face a four-hour drive, one way."

Alongside the CAA's hikes, government air traffic control agency Airways this week confirmed it would charge commercial airlines 17.7% more over the next three years.

"These hikes have added to hundreds of thousands of dollars a year to an already growing burden of costs across a range of government agencies on top of fee increases from airports as well as growing operational and maintenance costs.

"The assumption is that operators can pass the cost on to the passenger, but there comes a point where that's not feasible. This leads to route cuts, aircraft sales and staff losses and once gone, these are very difficult to bring back."

Mr Wallace says while the Government has said it wants to support the industry, its focus on market forces rather than funding to lift the sector and support regional communities is wrong.

"As with our roading and rail infrastructure, the Government has a clear role to play in supporting access to safe and secure air services domestically and internationally for wider public benefit and for New Zealand Inc.

"There are at least 30 countries around the world that support regional airlines in different ways. In Australia, the Government has made a strong commitment to support access to safe and secure regional air services with a package of measures. This includes access to concessional loans, something that has been floated here and is part of a solution.

"Regional air services are the backbone of connectivity for New Zealand, not just holidaymakers but business, education, freight, healthcare and emergency response capability.

“The Kaikōura earthquake and Cyclone Gabrielle showed us just how vital these routes and carriers are in times of crisis delivering vital supplies and medical care to cut off communities.

“New Zealanders deserve access to safe, secure regional air connectivity now and into the future.

“If the Government is really committed to regional connectivity and to delivering its economic growth plan, it urgently needs to lend a helping hand to our regional carriers so they can keep these routes in the air.”

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The Aviation Industry Association of New Zealand (AIA NZ) is the peak body representing the interests of New Zealand’s commercial aviation industry.

www.aianz.org.nz



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