

Submission on the draft *Resilience Principles: Decision-making framework for critical infrastructure providers*.

NZ Airports

Introduction

Thank you for the opportunity to comment on the Commission's draft *Resilience Principles: Decision-making framework for critical infrastructure providers*.

We thank the Commission for engaging with NZ Airports and airport representatives regarding the draft guidance. We look forward to participating in the proposed consultation workshop and continuing the conversation as the guidance is finalised.

NZ Airports supports the Commission's objective of encouraging sound, evidence-based and proportionate decision-making about resilience investment.

The draft principles are broadly consistent with the way airports already approach asset management, risk, resilience and investment planning. We support the emphasis on understanding risks and infrastructure interdependencies, considering a range of investment and non-investment options, evaluating costs and benefits, engaging with affected customers and communities, and prioritising investment according to criticality, risk and value.

As a cross-sector framework, the guidance will apply to infrastructure providers with substantially different regulatory settings, operating environments and levels of capability. Its application should therefore recognise existing sector-specific arrangements and avoid imposing processes developed primarily for other infrastructure sectors where they are not suited to airports.

Our reading of the draft is that the guidance is intended to improve the quality of investment decision-making, rather than prescribe specific investment outcomes or minimum resilience standards. It does not create new general resilience-reporting requirements, and providers are not expected to redesign established processes or demonstrate line-by-line compliance with every principle.

We encourage the Commission to make those points especially clear in the final guidance. Doing so will help providers focus on the substance and quality of their decisions rather than creating additional compliance processes around them.

How airports already plan for resilience

Airports already consider resilience through established safety, operational, planning, investment and governance processes.

We operate within a comprehensive aviation-safety framework, including the Civil Aviation Act 2023 and the Civil Aviation Rules, under which certificated aerodromes must comply with CAR Part 139. These obligations require certificated aerodromes to identify and manage aviation-safety risks and maintain the facilities, systems and procedures needed for safe operations. Resilience considerations are therefore already embedded in many airport planning and investment decisions.

Airport master planning, asset management, emergency planning and business-continuity processes also require consideration of long-term demand, natural hazards, climate-related risks, infrastructure dependencies, operational continuity and recovery.

Major airport investments are subject to detailed internal governance and investment assessment. For airport operators subject to the Civil Aviation Act's consultation requirements, consultation with substantial customers provides an established process for testing proposed investment, service outcomes, affordability and customers' willingness to pay. Relevant aspects of planning and investment are also reflected in information disclosed under Part 4 of the Commerce Act.

The final guidance should recognise these existing processes and avoid creating duplication. Where the substance of the principles is already demonstrated through an airport's safety, planning, investment or consultation work, that evidence should be sufficient. Airports should not need to reformat it or separately map every decision against the wording of the guidance.

The guidance should not become a de facto compliance checklist or an indirect basis for expanding airport information-disclosure requirements. Any future proposal to use the principles for formal monitoring, assurance or disclosure purposes should be subject to separate consultation and consideration of the relevant statutory framework.

Applying the guidance proportionately

The airport sector is diverse. It includes large international gateways, regional airports and small airports serving remote or isolated communities. Airports differ substantially in scale, ownership, traffic volumes, risk profiles, access to specialist capability and financial resources.

A large airport's ability to undertake detailed modelling, scenario analysis and cost-benefit assessment will be quite different from that of a small regional airport. That does not necessarily reflect any difference in the seriousness with which resilience is treated or the quality of operational judgement. It often reflects genuine constraints on resources and organisational capacity.

Some of the draft's examples of "what good looks like", including extensive GIS work, specialist economic modelling and sophisticated quantitative analysis, may be appropriate for major, high-value investments. Those same approaches could impose disproportionate cost and complexity if treated as baseline requirements for a smaller airport or a more modest decision.

We therefore strongly support proportionate application. The depth of analysis and documentation should reflect the scale, cost, uncertainty and consequences of the decision. Not every principle or analytical tool will need to be applied to the same extent in every case. Qualitative evidence and established operational judgement may be appropriate for smaller or less complex decisions, while significant investments would naturally attract more extensive analysis and scrutiny.

Providers should also be able to rely on existing safety, asset-management, business-case and customer-consultation processes where those processes address the substance of the principles.

We suggest the Commission avoid implying that all providers must reach a uniform level of analytical maturity within a fixed or "reasonably short" period. A more practical expectation

would be demonstrable and proportionate improvement over time, reflecting each provider's circumstances, decisions and capability.

Balancing resilience, affordability and customer needs

Airports and their customers generally have high expectations for service continuity and recovery. Airports also provide broader public benefits through emergency and medical services, civil defence functions, freight links and regional connectivity.

At the same time, resilience investment is not costless. Airport investments are ultimately reflected in airport charges, commercial returns or, for some smaller airports, funding requirements placed on shareholders and communities.

An investment may follow a robust resilience decision-making process and still not proceed because customers are unwilling to fund it, its costs outweigh its benefits, or another investment has a higher priority. Applying the guidance should not suggest that a particular project must proceed or that the most resilient, or highest-cost, option must always be selected.

We support the draft's recognition that accepting risk can be a legitimate outcome. The purpose of the guidance should be to ensure that risks, options and trade-offs are properly understood and transparently assessed, rather than to direct a predetermined level of expenditure.

For airport operators subject to the Civil Aviation Act's consultation requirements, the final guidance should recognise the importance of that process in testing service expectations, affordability and willingness to pay.

However, airline willingness to pay may not capture all the public and regional consequences of airport disruption. This is particularly relevant for airports serving remote communities or providing essential emergency and lifeline functions. The guidance should allow those wider benefits and interdependencies to be considered.

Where resilience benefits accrue materially to the wider community or national infrastructure system, but cannot reasonably be recovered from airport users, the guidance should recognise that this may create a funding issue rather than a deficiency in the airport's decision-making. Consideration of those benefits should not, by itself, imply that the airport, its airline customers or its shareholders should bear the full cost.

Refining the final guidance

Overall, NZ Airports supports retaining the document's principles-based and non-prescriptive character.

We encourage the Commission to state more explicitly that the guidance does not create new information-disclosure or general resilience-reporting obligations, and that providers are not expected to demonstrate line-by-line compliance or redesign sound existing processes.

The final guidance would also benefit from stronger language on proportionality, particularly for smaller providers and lower-value investments. It should recognise existing sector-specific safety, planning and customer-consultation requirements and distinguish clearly between examples of advanced practice and minimum expectations.

It should also confirm that following a sound process does not predetermine whether an investment will proceed, and that broader public and regional resilience benefits may not always be fully represented by direct customers' willingness to pay.

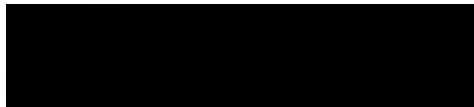
Continuing the conversation

NZ Airports supports the Commission's proposed consultation workshop and would welcome the opportunity to participate.

The workshop will be a useful opportunity to test how proportionality should operate in practice, particularly for smaller infrastructure providers, and how existing sector-specific processes can provide evidence of alignment with the principles.

We look forward to continuing to work constructively with the Commission as the guidance is finalised and applied.

Kind regards,

A large black rectangular redaction box covering the signature of Graeme Sharman.

Graeme Sharman
Chief Executive – NZ Airports

A black rectangular redaction box covering the contact information of Graeme Sharman.