

Media Release: Auckland Airport disguises underspend on runway

Airlines for Australia and New Zealand (A4ANZ) has today raised serious concerns over Auckland Airport’s claims of significant runway expenditure, made in [a statement from the airport’s operators](#) yesterday on the results of their investigation into runway maintenance.

A4ANZ Chair Professor Graeme Samuel AC, said, “While Auckland Airport management have acknowledged that these runway closures are unacceptable, their claims of significant runway spend deserve further scrutiny. They claim that “between 2015 and 2019, \$48 million has been spent on pavement replacement and airfield maintenance”, but, based on their own information disclosures, the airport has spent just \$33m in runway slab replacement capex over the last five years. Where is the additional \$15m they claim to have spent?”

Prof Samuel said, “Airports set prices for airlines every five years, based on promised capital and operational costs. Monopoly airports like Auckland charge airlines accordingly – but unsurprisingly do not always deliver what is promised.”

“The facts are that over the last two price periods, Auckland Airport has *underspent on forecast runway capex* – meaning that they spent less on the runway than they knew was needed, whilst still charging airlines.”

“This underinvestment is not a new phenomenon at Auckland Airport, but in FY19 alone, they have underspent on aeronautical capex by 74%. This is very concerning for airlines, who are paying prices set by Auckland Airport but without seeing the promised capital investment. This should also concern New Zealanders, who are well aware of the degraded state of their national gateway.”

“This pattern of underspend has led directly to the need for multiple closures, interrupting aircraft, inconveniencing customers, and driving more cost onto airlines as they recover from inevitable diversions.”

“Airlines and New Zealanders should all be asking Auckland Airport whether they are in fact going to spend the capex in the current price period – and if not, will they give this money back? Or will these funds continue to roll out the door to shareholders while the assets crumble?”

“Shareholder returns in FY19 were \$269m. [Auckland Airports’ results released today](#) show shareholders will continue to take massive profits while travellers to New Zealand will continue to experience ‘third world’ infrastructure for years to come.”

About A4ANZ

Airlines for Australia and New Zealand (A4ANZ) is an industry group, established as a voice to represent airlines based in Australia and New Zealand. Member-funded and representing international, domestic, regional, full service and low cost carriers, A4ANZ advocate on key public policy issues that impact airline operations such as efficient access to infrastructure, in the interests of our passengers, staff and shareholders.



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