



COVERSHEET

Minister	Hon Shane Jones	Portfolio	Regional Development
Title of Cabinet paper	Using the Regional Infrastructure Fund to support regional air connectivity	Date to be published	6 October 2025

List of documents that have been proactively released

Date	Title	Author
September 2025	Using the Regional Infrastructure Fund to support regional air connectivity	Office of Minister for Regional Development
1 September 2025	Regional Infrastructure Fund: Supporting Regional Air Connectivity ECO-25-MIN-0119 Minute of Decision	Cabinet Office

Information redacted

YES / NO (please select)

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Some information has been withheld for the following reasons:

- Confidentiality.
- Confidential advice to government.
- Negotiations.
- Commercial information.



Cabinet Economic Policy Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Regional Infrastructure Fund: Supporting Regional Air Connectivity

Portfolio Regional Development / Transport (Acting)

On 20 August 2025, the Cabinet Economic Policy Committee:

- 1 **noted** that regional air connectivity is critical to the economic and social wellbeing of regional New Zealand and is currently under pressure due to structural and operational challenges;
- 2 **noted** that the Acting Minister of Transport is progressing a range of complementary initiatives to support regional air connectivity, including some of those outlined in Annex Two to the paper under ECO-25-SUB-0119;
- 3 **agreed** to allocate up to \$30 million in capital expenditure from the Regional Infrastructure Fund (RIF) to support regional airlines with the acquisition or lease of aircraft, the procurement of essential aircraft components and debt refinancing on concessionary terms;
- 4 **agreed** to allocate up to \$^{comm}million in **Negotiations** from the RIF to support information technology investment to enable interlining arrangements between regional airlines and Air New Zealand;
- 5 **noted** that funding decisions are only available for the life of the RIF, which is to the end of 2026;
- 6 **noted** that the two proposals above are ineligible under current RIF settings as agreed by Cabinet [CAB-24-MIN-0168.02], specifically as neither are 'hard infrastructure';
- 7 **agreed** to delegate further criteria and investment decision-making to the Regional Development Ministerial Group (RDMG), which includes the Acting Minister of Transport for aviation-related matters;
- 8 **noted** that appropriate safeguards will be agreed by RDMG to minimise moral hazard, including eligibility criteria, performance expectations, monitoring requirements, and access to financial reports as a prerequisite for support;
- 9 **noted** that further engagement with Air New Zealand will be required to understand and address barriers to implementing interlining arrangements, and that officials are also interested in the opportunity with Qantas/Jetstar to reduce the reliance on a single carrier;
- 10 **noted** that the Ministry of Business, Innovation and Employment, with support from the Ministry of Transport, has the capacity and capability to deliver and administer the above initiatives;

- 11 **invited** the Minister for Regional Development and the Acting Minister of Transport to report back to Cabinet on progress of the above investments within 12 months of implementation.

Rachel Clarke
Committee Secretary

Present:

Hon David Seymour
Rt Hon Winston Peters
Hon Nicola Willis (Chair)
Hon Brooke van Velden
Hon Shane Jones
Hon Paul Goldsmith
Hon Louise Upston
Hon Judith Collins KC
Hon Dr Shane Reti
Hon Penny Simmonds
Hon Andrew Hoggard
Hon Nicola Grigg
Hon Mark Patterson
Hon James Meager
Hon Scott Simpson
Simon Court MP

Officials present from:

Office of the Prime Minister
Office of Hon Judith Collins KC
Officials Committee for ECO