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Air Chathams CEO proposes public service obligation model for regional airlines

**John Weekes**

Senior Business Reporter · NZ Herald · 8 Sep, 2026 05:00 PM 3 mins to read

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Trustees of one airfield are trying to raise \$1 million to seal an East Coast grass runway.

Regional airline leaders met today in Wellington and discussed possible solutions to the industry's most serious problems.

One said airlines had to get used to high fuel prices and another said New Zealand should adopt a public service approach used in some other nations.

Pilot Mahanga Maru of Air Ruatoria revealed his community was crowdfunding to improve infrastructure resilience.

Trustees of Ruatoria airstrip [have set up a Givealittle page to raise \\$1m to seal the grass runway](#).

Maru said the airstrip was a critical link, and recent cyclones had shown the area's road transport links were vulnerable.

"The grass runway is not suitable for all weather operations and funding is sought to upgrade it by sealing the 1000m long runway," a draft Givealittle page said.

Maru was with Sunair flight operations manager Dan Power and Air Chathams chief executive Duane Emeny earlier today.

They described challenges and possible solutions for regional airlines at the Aviation Industry Association (AIANZ) summit.

Maru mentioned how often East Coast communities were cut off and roads washed away.

Sunair's Power said the future of regional air transport was under threat.

"It's challenging. We're bleeding. We've got an unpleasant level of operating costs and we can't control them.

"The current coalition Government has been kind to us with some support but, as has been mentioned, it's sticking a plaster on the problem."

He said some regional carriers were in survival mode.

"I suspect that these high fuel prices are beginning to be normalised," he told the AIANZ conference.

Emeny said New Zealand should consider what some other countries called a public service obligation (PSO).

A PSO in this context meant the Government would define essential airline services and then have a tender process.

"It doesn't just come down to cost," Emeny told the *Herald*.

"It's got to be able to meet the need. How would you operate the service? What aircraft type would you have?"

He said a PSO did not mean the Government funding an airline year-round, but such an arrangement would provide certainty to communities.

Emeny said the PSO model varied worldwide but successful versions had clear expectations of airlines.

"It's got to be open book."

The AIANZ conference concludes today.

Issues discussed included high fuel prices, changes at the Civil Aviation Authority and skills shortages.

The Aircraft Owners and Pilots' Association of New Zealand Charitable Trust (AOPA) announced two awards for future pilots.

Caleb Orange and Tracey Rich were the winners of AOPA's flying training scholarships, providing a total of \$15,000 worth of support.

The scholarship funds five hours' flight training and specialist helicopter underwater escape training, mentoring and other opportunities.

The James PG Foundation Charitable Trust sponsored Orange's award.

It is named for James Patterson-Gardener, who died in a Robinson R44 helicopter crash in 2015.

Matt Vaughan from PacAvia International sponsored Rich's scholarship.

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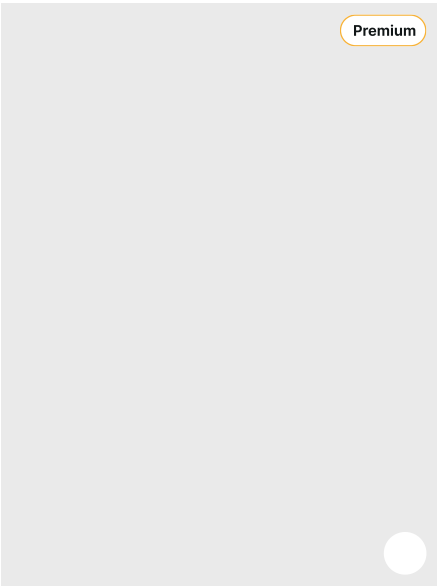
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John Weekes is a business journalist covering aviation. He also has experience covering consumer affairs, crime, politics and courts.

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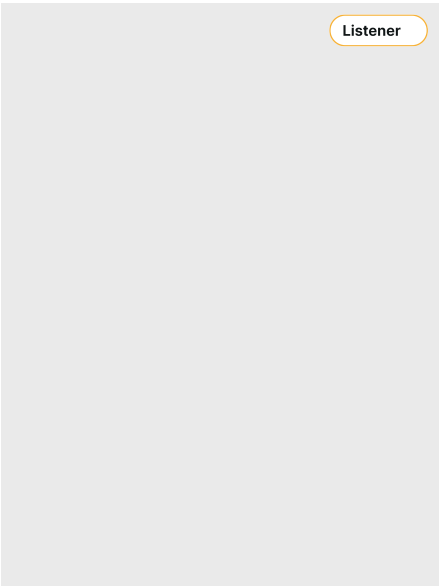




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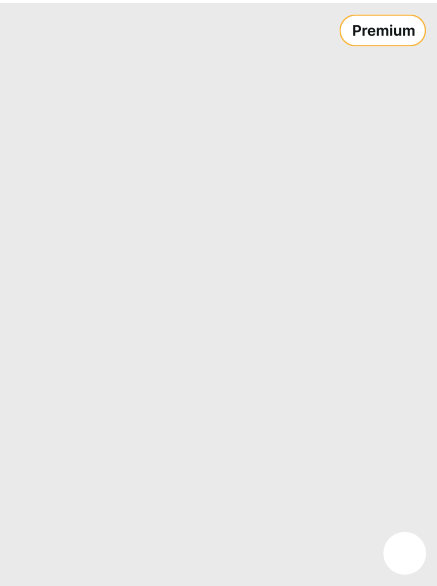
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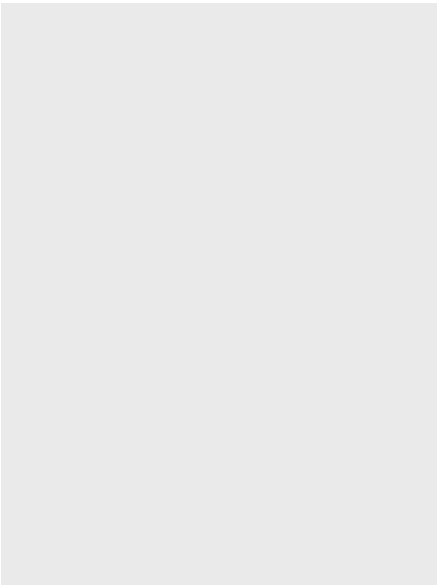




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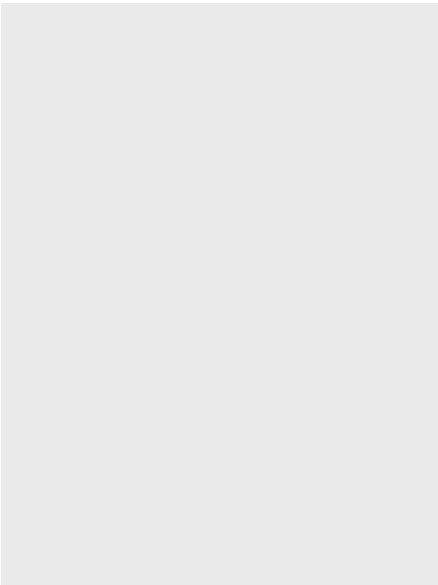
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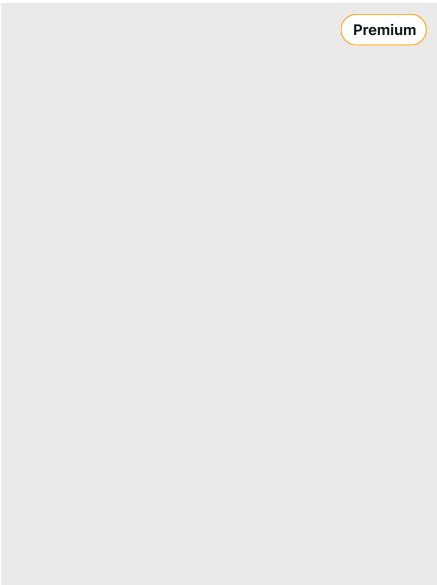
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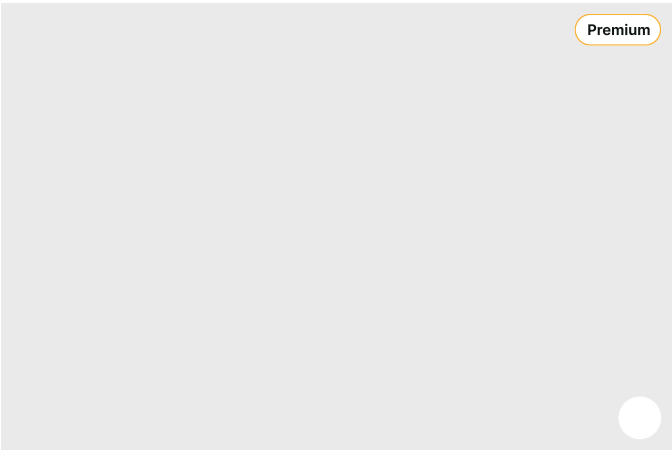
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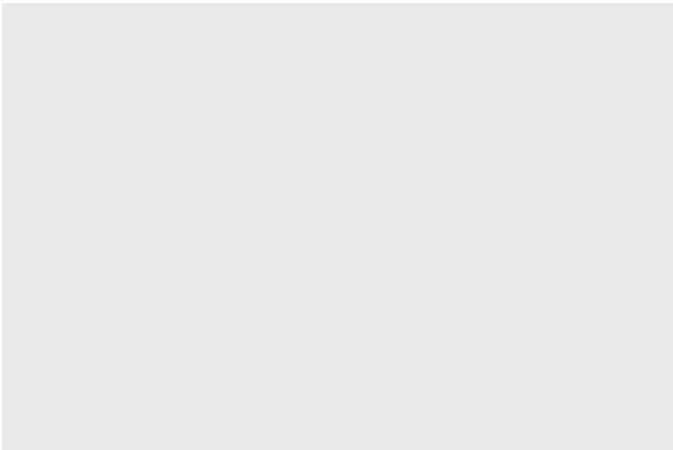
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