A STAR ALLIANCE MEMBER

AIR NEW ZEALAND

10 December 2024

New Zealand Infrastructure Commission
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By email: info@tewaihanga.govt.nz

Testing our thinking - Developing an enduring National Infrastructure Plan

1. Air New Zealand welcomes the opportunity to respond to the New Zealand Infrastructure Commission's discussion document on Developing an enduring National Infrastructure Plan (NIP).

2. In New Zealand, 46,500 people are directly employed in aviation, generating USD 3.0 billion of economic output, equal to 1.2% of total GDP. Additional benefits are generated by the wider supply chain, employee spending, and tourism activities contributing a total of USD 14.2 billion to GDP and 177,200 jobs.[1]

3. Aviation improves access to international markets and connectivity within New Zealand and is therefore a critical enabler for New Zealand's productivity and economic performance.[2] Aviation also provides a critical role in emergency response and ensuring regional communities maintain access to critical services when roading networks are cut off – such as during Cyclone Gabrielle.

4. We note that the National Infrastructure Plan (NIP) discussion document includes limited strategic long-term thinking on what is needed to support aviation infrastructure over the next 30 years. Nor mention of substantive policies to oversee adequate stewardship of the infrastructure that facilitates aviation.

5. It is Air New Zealand's position that the NIP would be strengthened by looking beyond road transport to include a multi modal approach to future transport investment and include aviation in the thinking around overall transport resilience.

6. The challenges that the aviation sector faces are clearly articulated in the Ministry of Transport's Air Navigation System (ANS) Review 2023[3] which we build on in Annex 1 to this response.

7. The ANS Review highlights that New Zealand has a challenge in considering long-run investment requirements for system infrastructure and funding mechanisms that recognise both public and private good. The user pays model of funding most aviation infrastructure does not provide the right

[1] IATA – The Value of Air Transport to New Zealand December 2024 - based on data from Oxford Economics – at: https://www.iata.org/en/publications/economics/reports/value-of-air-transport-country-reports/
[2] Facilitating prosperity: The economic contribution of Air New Zealand, Sense Partners December 2023
[3] Air-Navigation-System-Review-phase-two-report-May-2023.pdf found at ansr.transport.govt.nz December 2024.

incentives to focus on long term resilience or technological innovation. The review is clear that critical aviation infrastructure must be supported by sustainable predictable fit for purpose funding that encourages appropriate asset stewardship.

8. Continued engagement and cooperation with the aviation sector is therefore important to ensure the sector remains resilient, sustainable, and supports New Zealand's sustainable and productive economic growth over the next 30 years.

9. If you have any further questions, please do not hesitate to contact my colleague [redacted] Regulatory Affairs Manager at Air New Zealand [redacted]

Ngā mihi nui,

[redacted]

Chief Sustainability & Corporate Affairs Officer

Annex 1 – Key 30-year challenges for aviation in New Zealand include:

Energy Transition for Aviation

1. **Challenge:** Aviation is a significant contributor to carbon emissions therefore it will require a transition to renewable energy. Meeting New Zealand's international climate commitments, including the goal of net-zero emissions by 2050, will require a transition to sustainable aviation fuels (SAFs), hydrogen, or electric propulsion technologies.
   Infrastructure need: Investment in SAF production facilities and appropriate policies to de-risk investment, hydrogen refuelling infrastructure, and electrical charging systems at airports.

Climate Resilience

2. **Challenge:** Rising sea levels and extreme weather events threaten airport infrastructure, especially coastal airports. For example, Auckland International Airport, which receives 75 percent of incoming international passengers, is vulnerable to sea level rise of 0.5m and above. Airports in Hawke's Bay, Northland, Nelson, Dunedin, Invercargill, and the West Coast are also vulnerable.[4]
   Infrastructure need: Reinforced flood defences, updated drainage systems, and relocation or elevation of critical infrastructure to reduce vulnerability to climate change impacts.

Regional Connectivity

3. **Challenge:** Smaller regional airports may struggle with rising costs and the significant capital requirements for maintaining aviation infrastructure to ensure they can continue to support the future needs of commercial aviation.
   Infrastructure need: Public good or shared use aviation infrastructure and air navigation equipment needs to be clearly defined and adequately funded, improved intermodal transport links, and policies need to be canvassed to ensure equitable access to air travel. This could include a nationally recognised and supported core aviation infrastructure network to maintain access to key population centres across New Zealand.

Digital and Cybersecurity Upgrades

4. **Challenge:** Growing reliance on digital systems increases vulnerability to cyberattacks, which could disrupt operations.
   Infrastructure need: Robust cybersecurity measures supported by Government systems and infrastructure, information sharing, integration of AI for predictive maintenance and traffic management, and secure communication networks.

Noise and Urban Encroachment

5. **Challenge:** Urban sprawl around airports raises concerns about noise pollution and land-use conflicts. Policy Direction is needed on whether the reduction of carbon emissions via reduced track miles should be prioritised over managing the noise implications associated with reduced mileage when more direct approaches to airports are made over urban populations.
   Infrastructure need: Improved noise mitigation technologies, forward looking zoning regulations that take a national interest approach to aviation connectivity, and public engagement to manage community concerns and priorities.

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[4] Air-Navigation-System-Review-phase-two-report-May-2023.pdf found at ansr.transport.govt.nz December 2024.

6. **Funding and Private Sector Involvement**
   Challenge: Insufficient government oversight and ineffective economic regulation of airports both contribute to high infrastructure costs, limited transparency (and in some cases unwillingness to listen to substantial customer concerns) and inefficiencies in the development of critical airport infrastructure.
   Infrastructure need: Support optimum, sustainable and efficient airport investment with a fit for purpose regulatory framework under Part 4 of the Commerce Act. This would ensure fair pricing, cost efficiency, accountability and promote better asset stewardship.

Integration with Broader Transport Networks

7. **Challenge:** Seamless integration with road, rail, and maritime transport systems is essential for efficient logistics and passenger movement. New Zealand has to be an attractive travel destination in order for air services to be viable, especially those that connect New Zealand with key international hubs. New Zealand's economic policies, especially those related to trade and tourism, need to be better coordinated with freight transport policies.[5]
   Infrastructure need: Multimodal hubs, improved ground access to airports, and streamlined freight handling systems.

Workforce Challenges

8. **Challenge:** Ensuring a skilled workforce to manage increasingly complex systems and technologies.
   Infrastructure need: Investment in training programs and facilities for aviation professionals, particularly as pilots, in new technologies, engineering, and sustainable practices.

[5] https://www.transport.govt.nz/assets/Uploads/MOT4806_Aotearoa-Freight-and-Supply-Chain-Strategy-p09-v03.pdf