

Media release

8 April 2024



Auckland International Airport redevelopment unrealistic

The Aviation Industry Association (AIA NZ) says Auckland International Airport's proposed expansion plans are grandiose, unnecessary and need a dose of reality.

"Auckland International Airport is trying to be like Singapore, and in doing so is going to hit the pockets of the travelling public and commercial aviation operators to get the revenue they need to build an airport like Changi," says AIA NZ Chief Executive Simon Wallace.

"There is no question that Auckland International Airport's terminals need upgrading, and at peak times congestion is a problem, especially at the domestic terminal. However, a terminal expansion that is estimated to cost close to \$7 billion over 10 years is excessive and will only result in the travelling public and aviation operators, small and large, paying more to foot the bill."

Mr Wallace says that while larger airlines using Auckland Airport are affected, the proposal impacts a range of other operations, including air ambulance and emergency services, commuter and regional carriers, vital freight activities and other general aviation activities by smaller aircraft such as survey operations.

"They will all bear the cost of Auckland Airport's plans, but to be sustainable will have to pass these extra costs on to their customers."

The terminal expansion as it currently stands would provide little real benefit for the smaller regional airlines servicing the domestic terminal – there is no extra terminal space. More importantly, the nearly \$7 billion price tag does not include a second runway which has been much needed in Auckland for some time.

"The smaller regional airlines provide vital connectivity to regions, that otherwise would not have a commercial service such as Kaitiaki, the Coromandel, Kapiti, Whanganui, and Whakatane.

"If they cannot sustain the extra cost, which might well be the case, they won't easily be replaced."

Mr Wallace says the AIA NZ understands Auckland Airport has an obligation to provide dividends to shareholders, but it is not in the public interest for one organisation to have total control over what the public needs.

"Aside from an enquiry by the Commerce Commission into the practices adopted by Auckland Airport, what we really need is some realism on the part of the airport."

AIA NZ's members are also experiencing pushback from the airport on other matters, he says.

“Air ambulance services, for example, are parked on tarmac areas to unload critically ill patients, but without cover from the weather. Despite best efforts to engage with management over several years on solutions, Auckland Airport had shown little interest.

“As a public entity, the airport is not demonstrating a social licence to operate, appearing concerned only by excessive profits.

“Going forward, the AIANZ would like to see a pragmatic approach by the airport that involves meaningful consultation with all parties affected by the proposals. However, the bottom line is that the current plan is not affordable and needs to be modified.”

Ends

The Aviation Industry Association (AIANZ) is the peak membership body for the commercial aviation industry, representing close to 200 operators across six divisions that include agricultural operators, helicopters, scheduled and tourism flight operators, flight training schools, drones, and engineering. www.aianz.org.nz

Contact Simon Wallace, Chief Executive on 0274 607 701, email simon.wallace@aviationnz.co.nz

Key numbers in aviation

- 4,600 aircraft operating in New Zealand.
- 900 helicopters operating in New Zealand.
- 14,400 full-time equivalents employed in aviation services.
- Average annual income \$87,900 in aviation services (NZ median is \$65,000).
- \$2.1 billion contribution to economy through GDP.